





LOMBARD

When a deficit is a trump card

BY JOHN CHERRINGTON

WERE IT NOT for the effect of the green pound being overvalued and the consequent monetary compensatory amounts cheapening food prices in the U.K., the propaganda against the Common Agricultural Policy and high food prices would undoubtedly have become a very lively political issue. Even so, the British reaction to the publication of details of cut-price butter sales to Russia was enough to embarrass the Commission into a confusion of contradictory statements, which in the end made no difference to the sales.

In European agricultural circles, as I found during a recent visit to Brussels, the British action was incomprehensible—only to be explained away as an example of a refusal to face the facts of Community membership, which laid down the procedure for getting rid of farm surpluses. It was pointed out to me that the present butter mountain of 250,000 tonnes would only be half as big were it not for the British decision to import the 80,000 tonnes of New Zealand butter.

Animal feed

As on present form the dairy product surpluses look like growing fairly rapidly, together with those for sugar, beef and wheat, the need for cut-price sales and the prospect of adverse publicity on an increasing scale are obvious. But things don't look the same on the other side of the Channel. A quarter of a million tonnes of butter is rather less than one kilo per head of the Community's population, surely no more than a sensible reserve. Skimmed milk powder, about a million tonnes, could be disposed of for animal feed instead of importing duty-free soyabean meal and fish meal.

Out on a limb

In these circumstances any talk of changing the CAP or reforming it in the British concept is without thinking. Fundamental change would mean persuading the Europeans to accept the British attitude to food and farmers. A labour of Hercules if ever there was one. The alternative is a degree of opting out which seems to be Mr. Sillkin's ploy. He begins by giving U.K. farmers a special pig subsidy, against Community rules. His demand for a special butter subsidy for Britain on which the last Ministers' meeting broke down, was significantly only objected to on the amount, not the principle. He has gone out on a limb to demand the retention of the Milk Marketing Board, due to lose its monopoly powers next year under CAP rules. His reluctance to devalue the pound is being tolerated, except marginally.

THE WEEK IN THE COURTS

The Press Council and citizen's rights

BY JUSTINIAN

EVERY CITIZEN (apart from those under a specific disability) has the right to make use of the courts of law in adjudicating a claim against a fellow citizen. He can agree with his opponent that their dispute should be resolved before some other tribunal, such as an arbitrator; and they can settle their differences and agree not to pursue the matter in the courts. Otherwise there is the right to unimpeded courts for anyone who has a legal claim for which he asks the court to give him a remedy.

Standards

If it lacks the disciplinary powers of a professional association, with their attendant powers to suspend the practitioner or prevent him from continuing to practice, the Press Council looks to achieve high standards by declaring the bounds of journalistic propriety and by exhorting the editors to control their editorial teams to comply with such standards.

The process of adjudication of a complaint and subsequent verdict is in no sense an alternative remedy to that which the courts offer. It is a procedure which the Press Council can inflict no penalty on the editor or any journalist only serves to enhance the value of the complainant's right to pursue a claim for damages in the courts, and even exceptionally an injunction against the newspaper from repeating the defamatory matter.

Obnoxious

The Younger committee started out from the proposition that such a waiver requirement was obnoxious, but the Press Council's defence of the requirement. The argument runs as follows. Implicit in the complainant's decision to use the Press Council machinery is that he is seeking the remedy of a ruling that would involve the editor publishing the adverse adjudication. The waiver requirement is dictated by the need to deter some potential complainants from using the Press Council adjudication as a stalking horse or praying in aid a favourable ruling in subsequent court proceedings. The matter came up again recently when Lord Shawcross, the present chairman of the Press Council, appeared publicly before the Royal Commission on the Press.

SOCCER BY TREVOR BAI

Chelsea win by whisker

THE CONDITIONS on Saturday at Stamford Bridge were the home side had secured the promotion candidates, Chelsea and Nottingham Forest clashed. Chelsea was not propitious for good by a defender for Britton, who did little else right, except scurry to the valley home. Chelsea's young side, which was so impressive early in the season, came a little unstuck in the winter mud, and subsequently experienced a sad Easter.

Ipswich buzz without sting

WITHOUT Mariner, the admirable Beattie and Wark, Ipswich were all at sea at Leeds, where their 2-1 defeat inflicted a painful blow on their hopes of overtaking Liverpool for the Football League championship. Leeds, too, had their injury problems, and obviously were concerned for their FA Cup semi-final against Manchester United last Saturday. Ipswich's role with which he is familiar and youngsters Harris and McGhee came in at No. 7 and No. 11 (and actually played on the wings a lot of the time).

RUGBY UNION BY PETER ROBB

Waterloo's hopes ended

WITH A half-time score of seven points each Waterloo, at least nationally, still had a chance against Gosforth in the John Player final. Patrick had kicked a penalty and Hedley and Williams had taken the ball for Christopherson had scored a try and a Ball kicked a penalty for Waterloo. Whereas the game was numerically balanced the play had not been in for five minutes after the re-start in Gosforth. Waterloo's hopes without end, entirely subduing the challenge of the forwards tell. Utley put Robinson in for the first try and then the flanker got a quick hand to a Waterloo heel.

TENNIS BY JOHN BARRE

Success for new sponsor

THE REAPPEARANCE last week, after a year's gap, of the Cumberland Club's tournament at the base of the forum was a further bonus and this inter-play was rewarded as Tickle the corner full-back scored in the corner after Spaven had let the ball go intelligently.

RACING BY DARE WIG

Irish hold keys to classics

NOW THAT that the various Guinness Trials have been run it is hard to escape the conclusion that the Irish hold the keys to the two classic races to be run at Ascot this year.

Williams' call welcomed

MRS. SHIRLEY WILLIAMS' call for parents to take more responsibility for their children was welcomed today by the National Educational Research and Development Trust, based at Cambridge. The Secretary for Education suggested in a speech to educationists that parents and teachers should sign a contract setting out what each should do for a child's education and well-being.

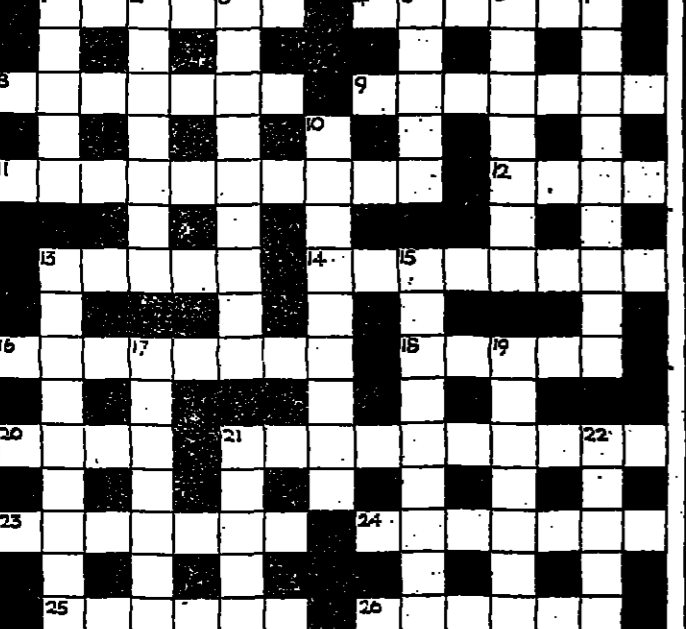
TV/Radio

Table listing TV and radio programs including BBC 1, BBC 2, and various regional channels like Wales, Scotland, and Northern Ireland.

Table listing regional TV and radio programs for areas like Wales, Scotland, Northern Ireland, and various parts of the UK.

Table listing regional TV and radio programs for areas like Scotland, Northern Ireland, and various parts of the UK.

F.T. CROSSWORD PUZZLE No. 3,357



- ACROSS: 1 'There to dwell in adamantine... and penal fire' (Milton) (6). 4 Initial design of a patriarch (6). 8 East German found in mature return (7). 9 Hearty applause to delight the Bridge player (3, 4). 11 Unlikely to succeed at the end of the queue (4, 2, 4). 12 Leave out the order before it (4). 13 Follow the Spanish title of Theotokopoulos (5). 14 Collect to roam about that place (8). 16 Something on the menu—that is clear (8). 18 Snake artist in the outfit (5). 20 Coin for a dull official (4). 21 Foresight, in Rhode Island (10). 23 Opposed to the commander this month (7). 24 Comparatively shrewd like a coach, we hear (7). 25 See Pat about the currency (5).

LONDON

Table listing London radio programs including Radio 1, Radio 2, and various regional channels.

ANGLIA

Table listing Anglia radio programs.

RADIO 1

Table listing Radio 1 programs for various regions including London, Anglia, and other parts of the UK.

ULSTER

Table listing Ulster radio programs.

WESTWARD

Table listing Westward radio programs.

YORKSHIRE

Table listing Yorkshire radio programs.

Eventually Everything Falls Down... 4.35 Story: 'Frightening Talent'... 5.00 Report: 'Frightening Talent'... 5.05 Report: 'Frightening Talent'...



# Le Matin

by RONALD CRICHTON

The Snape Madrigals Training Chamber Orchestra (readful name), two Haydn managed to seem the most resourceful, adventurous and inventive composer in the programme.

One example must serve—the ravishing trio to the third movement, a study in dark colours with solos for viola, cello, double bass and bassoon.

A dash or two of the qualities that made the Madrigals famous so rewarding to hear would have been useful in Friday night's Elizabeth Hall concert by the County Bach Orchestra, conducted by Martindale Sidwell.

Worthy, decent playing, preferable in some ways to the slick style of the other orchestras, contentedly lapped up by a capacity audience, but still, the cork had left out the ingredients that make dough rise.

The Sinfonia from the Easter Oratorio, partly because Janet Craxton, who in the beautiful Adagio was half-covered by leader string accompaniment (a question of seating, once more), threatened to go on for ever.

John Christian's C major Sinfonia Concertante (flute, oboe, violin, cello) is a work that snuff added to the playing, with the English Bach, greater popularity.

There was more interesting playing outside the orchestra's normal territory, in Beethoven's Third Piano Concerto. Here the leaves were provided by the sterling playing of the soloist, Bernard Roberts, who miserably so correct in the best sense of the term, that one is at a loss to say why the final effect was not even better.

Perhaps long devotion to chamber music brings different kind of consideration of others, and perhaps Beethoven's C minor is the first concerto where this would greatly matter.

The most unusual work was a Sonata for two trumpets by Francesco Roberti, an Italian Bolognese who died young in Venice. The Sonata (strangely played by John Williamson and Michael Laird) was written for the splendid Church of S. Petronio, where Francesco had played in the orchestra, in his native city.

# Purcell Room

John Elwes by DAVID MURRAY

An Anthology of English Lute songs gave great pleasure on Saturday night. The tenor John Elwes sang Dowland, Morley, Thomas Campion, and contemporary lute songs, accompanied by lutenist Anthony Davies, and he proved winning and most stylish exponent of that repertoire.

The voice is light, but attractive and excellently used; his recital of Schumann and Fauré at the Royal Albert Hall on Wednesday last promises well.

Songs by Thomas Ford and Philip Rosseter at once displayed his evenness of honeyed tone across his range, and the unerring assurance of his phrasing, of whose strophic songs, and of whose domestic ones, still pondered whether Elwes retained the habit of taking long breaths at line-ends might not grow tiresome.

In the more florid and elevated Lute songs which followed, however, he adopted a tarter manner, with impressive effect.

The main weight of the programme lay with two Dowland groups, and by then the depth

# Elizabeth Hall

Schütz by MAX LOPPERT

Schütz's Resurrection Oratorio of 1623—The Story of the joyful and triumphant Resurrection of Jesus Christ—was revived on Saturday by members of the Monteverdi Choir, under John Eliot Gardiner.

This was Schütz's first oratorio, Nicholas Kenyon, in an interesting programme note, sees three different musical styles in Schütz's setting of the Resurrection narrative, yet because the fusion of Lutheran liturgical severity and occasional bursts of Italianate colour and splendor is complete in its mastery, it was conscious only of a single style, a completeness of control over disparate elements.

The restraint is, as ever, with Schütz's larger choral works, at once cleansing and entrancing. The framework is established by the hardly-variant relative of the Evangelist's narration, with its beautifully placed solo duets and trios, in which are clothed the words of Jesus, Mary Magdalene and other "characters" in direct concentration with their most substantial unobtrusive towards quickly expressive.

It is, perhaps, the few, wrenching harmonic surprises: the severe or sweet conjunction of voices according to their message. A story told thus, not itself and yet with such superlative dramatic discipline, still powerfully gripping.

With sensitive solo singers Charles Brett, Stephen Varcoe and Richard Morton among them, and an immaculately

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Jonathan Hyde as Dr. Bartolo, Mark Lewis as Count Almaviva, and Julia Blalock as Rosina

# Glasgow Citizens' Figaro

by MICHAEL COVENEY

"Antics in Andalusia" could serve as a subtitle for Robert David MacDonald's clever adaptation of two Beaumarchais comedies best known to British audiences in their operatic versions by Rossini and Mozart. In fact, the first half of the show is a compressed version of The Barber of Seville, while the second covers much of the action in The Marriage of Figaro. The plays go very well together both as an extended revelation of the complex, fascinating comic character of Figaro himself and, especially in this production, as a tale of romantic love turned sour by time and suspicion.

After the interval, Julia Blalock as Rosina, magnificently attired in lots of black lace and devastatingly alone, is given (I assume by MacDonald) a friendly speech to detail her plight after three years of marriage; and, with Querrubin hidden in the closet and Count Almaviva throbbing with jealousy while trying to line up Suzanne on the side, the play assumes a bite and bitterness redolent of Feydeau in his most personal vein.

Philip Prowse's spectacular design serves both for Dr. Bartolo's house in Seville, where Rosina is jealously guarded from the devious advances of Count Almaviva, and for the castle in Figaro.

The back wall of the theatre is painted white and the stage occupied by a severe, moving tower, all white and decorated with evocative brick and lattice work. As these are moved round, scenes are played in front of a huge, heavy curtain in red, green and black—colours predominant in the Latin American style.

# Theatre Upstairs

I made it, Ma

The trouble with improvised His young brother Tommy (Alan or part-improvised plays is commonly twofold. The characters, though individually worked out in fine detail, tend to have too shallow a relationship with each other, and the plot lines are too direct and unsible.

In I Made it, Ma, the second Hall) is genuinely hard through-out, with no thought for anyone but himself, and his partner the central relationship between Harry (Mike Kemp) is equally George, a young man retired vicious under his fat and from an East End gang after a friendly exterior. Only Doyle's stretch, and Harry's quiet wife (Johanna Kirby) shows living from pornography, and anything approaching common humanity, and naturally she is miserable all the time.

The two halves of the story, George's connections with Christine and the routine criminal activities of Doyle's lot, are only tenuously connected, but no matter. I was enthralled almost from the start by the perfect detail with which every character and every situation appeared on the broad stage, as scrupulously observed as in a Simenon novel. (Even the right hand of whisky stands on Doyle's table.)

The invention and direction are the work of Tim Fywell and John Chapman. They have provided as exciting an evening as there is to be seen in London at the moment.

S. A. YOUNG

# Wigmore Hall

Timothy Walker by MAX LOPPERT

The guitar repertoire is made, a gift Mr. Walker (as composer) has still to acquire. He set out on the whole, of such thin stuff that Timothy Walker should not be wholly blamed for the insubstantial passages of last night's recital. But he did not help his cause by closing with items of his own manufacture whose homeliness rendered them unsuitable to public exposure.

What I believe to be the earliest of the titles not being printed in the programme, it was hard to discern them through the guitarist's mumbled introductions—was the longer of the two, a rambles through some diluted Africana, with the dance rhythms of the South African folk music popping up at the end to lend a touch of water-colour eclecticism.

By contrast, six traditional Irish airs—set and varied by Gifford and edited for performance from British Museum originals by Mr. Walker himself, second half—capable performance, somewhat lacking in the midnight poetry, the sudden of the 18th century virtuoso in flamboyance, that Julian Bream making very little go further than one would think possible in these pieces.

# Greenwich Theatre

## The Admirable Crichton

by MICHAEL COVENEY

The programme quotes Max Beerholm's opinion in 1902 that J. M. Barrie's Edwardian fantasy is "formed and conditioned by a philosophic idea which bears on a problem of modern life—the problem of domestic service."

The four-act drama spins whimsically out from an opening scene in a Mayfair drawing-room where the Earl of Loam has hit on a wheeze of treating the servants as equals once a month. They troop sullenly in to tea, much to the distaste of the butler.

Crichton, a stout defender of the inevitable and indeed desirable class divisions.

But when Loam, his daughters and a minimalist staff are wrecked on a tropical island between the first and second acts, it is Crichton's practicality and natural organising ability that propels him to a position of dominance. The Hon. Ernest Woolley (Timothy Carlton), is unceremoniously persecuted for his feeble epigrams until blindsided into useful service; while Loam himself is deprived of his lordly status on account of falling to realise the value of a hairpin.

This silly nonsense all goes to show that men, in whatever circumstances they may find themselves, will create social hierarchies. Less silly, perhaps, is the sexual undercurrent that wells in the third act, as Crichton is served a lonely dinner by Lady Mary Lasenby. By the end of the meal he is complimenting her on her Amazonian physique in a Mayfair drawing-room where years elapse between the second and third acts. For that he is rewarded with a big sloppy kiss. A ship is spotted and is moving on when Crichton, jutting his jaw and declaring his intention of "playing the game," calls it back with a maroon.

Back, finally, in Mayfair, Crichton and Lady Mary are separated for ever, but not before some teasing interference by the Countess of Brocklehurst, and whose nitwit son is to marry the recent Amazon. Life goes on, but Crichton hands in his notice, provided by Ursula Mohan as the foul-woulded Eliza and Timothy Woolley. But, for me, the interesting play would start with Crichton's final, stoical assertion of self-confidence as he relinquishes his role of obsequious champion of the status quo.

# Bush

Blisters by ANTONY THORNCROFT

It is pretty obvious that there is a funny side to the glamorous world of ballroom dancing, and many easy parodies have exploited the contrast between the humble home lives of the Glorias and Normans and their real images as they glide across the Come Dancing screens.

Blisters, currently on show at the Bush Theatre, and presented with the Sheffield Crucible Studio Theatre, covers the same ground but manages to avoid the clichés.

The two acts switch from life in Ivory Jane's (surely too decrepit) Bradford slum to the Latin American ballroom at Butlin's Fley Camp where Ivory Jane, and her Methodist law preacher dancing partner Simon, are bidding for glory in the All England Valeta Championships, as well as putting on a demonstration tango. By the end, of course, the transitory glory of the dance makes Ivory Jane in her woolly hat and absence of teeth, with her ankle socks and her dazed stupidity, she seemed a left-over from an Ealing comedy of the fifties rather than a contemporary.

It was hard not to sympathise with Ivory Jane, wisely underplayed by Polly Hemingway, as she sat in her pink net and red wig exhausted after her minutes of fame, and observed Mum slinking off to the lavatory to slip her teeth back in. Only the equally dim-witted Uncle Harry, a convincing turn by David Ellison, seemed to be on Emmy's wavelength and the horror of it turned him to drick.

This is a thoroughly enjoyable production, with a good cast of all surprising simplicity who had been led astray by the dreary Ivory Jane is suddenly transformed—hence Ivory—and had fled into a dancing Queen. The end-Bradford and charring took the ing peters out, exposing the character acting a bit too far. limitations of free-form drama,

# Employment Protection Act. These important provisions are now in force.

On 6 April three further important provisions of the Employment Protection Act came into force.

These are Maternity Pay, Itemised Pay Statements and Time off for Public Duties.

**Maternity Pay**  
Since 1 June 1976 a working woman expecting a baby has possessed two rights under the Act — protection against dismissal because of pregnancy, and the right to return to her job once the baby is born.

The new provision gives her a third right. She is entitled to claim maternity pay from her employer for the first six weeks of her absence because of pregnancy, provided that—

- she is employed full-time or part-time for at least 16 hours a week;
- she has worked for her employer for at least two years and continues doing so up to the eleventh week before the baby is due.

Part-time employees who work between 8 and 16 hours a week may also qualify for Maternity Pay when they have been with the same employer for 5 years.

Employers can recover the amount of maternity pay specified in the Act from the Maternity Pay Fund.

**Itemised Pay Statements**  
All employees, with certain exceptions detailed in leaflet number 8, are now entitled to itemised pay statements. Details of the gross and net amount of

wage or salary must be given, together with the amount of fixed and variable deductions and the purposes for which they are made.

**Time off for Public Duties**  
Employees who hold certain public positions should be permitted reasonable time off to carry out their relevant duties, but the employer is not obliged to pay for this time off. This provision applies to employees who are Justices of the Peace; members of managing or governing boards of specified educational establishments; members of statutory tribunals, and members of local authorities, regional or area health authorities and water authorities. Leaflet number 12 gives details of this provision together with a list of certain groups of employees who are excluded.

The introduction of these three important provisions means that practically the whole of the Employment Protection Act is now in force.

Leaflets giving details of individual provisions are available from your nearest Employment Office, Jobcentre or Unemployment Benefit Office.

The Employment Protection Act aims to create a climate in which employers and employees can work more closely together, and so make British industry and commerce more productive.

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OVERSEAS NEWS

DRINKS; GAMBLING BAN ANNOUNCED

Bhutto stands firm against critics

BY IQBAL MIRZA

PRIME MINISTER Zulfiqar Ali Bhutto today made clear that he will not give in under public pressure. "I am not made out of the wood Ayub Khan was made of," he asserted at a Press conference this afternoon.

The Prime Minister looked exhausted and the atmosphere in the Darbar hall of the Governor's house where the Press conference was held was generally serious. Mr. Bhutto also announced the lifting of Section 144, which prohibits assembly of four or more persons. But in fact, it has been blatantly violated by the people during the last six weeks.

In conformity with Islamic laws, Mr. Bhutto also announced that all bars and wine shops will be closed immediately and gambling will stop with immediate effect. Night clubs are also being banned. Liquor will not be served at state banquets and at Pakistani missions abroad.

On Pakistan's political problems, Mr. Bhutto only repeated the formula which has already been rejected by the opposition Pakistan National Alliance. He reiterated that he was prepared to hold elections to the provincial assemblies, and if the PNA got the majority in all the four provinces put together, he would be prepared to hold fresh elections to the National Assembly.

Insurgents in Zaire 'fall back 12 miles'

By Our Foreign Staff ZAIRE Government forces have pushed the insurgents back 12 miles in Shaba province back 12 miles in heavy fighting, the Zaire news agency Azap claimed over the week-end, in what appears to be the first Government success reported against the insurgents.

Meanwhile, the 1,500 Moroccan troops airlifted last week to the strategic town of Kisenko have begun moving forward toward the town of Kazenza, 25 miles away, to link up with the Zairean army.

President Mobutu Sese Seko, asked about the report of Zaire successes, said he had already taken place early last Thursday, but would neither confirm nor deny it, but would only say he was optimistic.

In Rabat, Mr. Philip Habib, U.S. Under-Secretary of State, said the U.S. had already taken Zaire military equipment of a non-lethal kind worth \$15m., and will continue to help the Government there.

Mr. Habib, who is making a tour of North Africa, had talks on Friday with King Hassan of Morocco.

In Paris, a Presidential communiqué yesterday announced that French air force planes used in a controversial airlift of Moroccan arms left Zaire on Saturday.

Angola's semi-official daily, Jornal de Angola, charged however that 250 French military men were in Zaire helping to unload "enormous quantities of armaments" shipped by plane from France. France has denied sending any armaments or troops to Zaire.

It also charged that the French aircraft carrier Clemenceau and another French warship were cruising near Angolan territorial waters.

Group of Ten export funds for Italians

BY ROBERT MAUTHNER

THE GROUP OF TEN major Western industrialised countries agreed here at the week-end to make available the funds which will enable the International Monetary Fund to grant a SDR 450m. (\$590m.) standby credit to Italy on conditions similar to those attached to the Fund's loan to the U.K. last December.

The decision was taken after the top monetary officials had heard a report drawn up by Dr. Johannes Witteveen, managing director of the IMF, in response to a request for a loan and the letter of intent published by the Italian Government earlier this week setting out the economic policies which it has undertaken to adopt.

Italy's partners considered the proposal to be "extremely important and courageous," according to M. Jacques de Larosiere, the French chairman of the Group of Ten, and well-tailored to achieving both a recovery of the country's domestic economic situation and its external accounts.

A total of SDR 337.5m. will be subscribed by participants in the General Arrangement to Borrow (GAB) while Switzerland has agreed to provide an additional SDR 97.5m. under an agreement with the IMF. The balance of SDR 75m. will come out of the IMF's own resources.

Of the Group of Ten members, the U.S. will make the biggest contribution with SDR 98m., followed by West Germany with SDR 82.5m., Japan with SDR 52.5m., the Netherlands SDR 35m., Canada and Belgium with SDR 16m. each and Sweden SDR 5m. The U.K. is not subscribing to the credit.

Finance Ministers of the European Community meet in Luxembourg today in an attempt to draw up joint positions on the series of international conferences due to take place in the next few weeks.

These include the meeting of the Interim Committee of the International Monetary Fund in Washington on April 23-25 and the economic summit meeting in London on May 7-8.

Basle talks on sterling balances

By Peter Riddell, Economics Correspondent

MR. Gordon Richardson, the Governor of the Bank of England, will report to his fellow central bank governors in Basle today and to-morrow on the progress Britain has made in reducing the international reserve currency role of sterling since the Basle agreement in January.

This will be one of the topics to be discussed at the two-day monthly meeting of the central bank governors.

Other items expected to be considered are the recent realignment of certain European exchange rates, Italy's application for a loan from the International Monetary Fund and the proposals for increasing the IMF's overall resources, to be discussed in detail at the meeting of the Fund's interim committee in Washington next week.

From the British point of view, the main item will be the reduction to secure an orderly reduction in the sterling balances.

Mr. Richardson will be able to report that the offer of foreign currency bonds to official holders attracted £94.2m. from 15 countries.

Japan impresses Mrs. Thatcher

TOKYO, April 17. MRS. Margaret Thatcher, the British Opposition leader, said that following her talks with Japanese Prime Minister Tanaka Fukuda and his colleagues she now has a much clearer idea of how they viewed Japan's place in the world.

EEC threat to U.K. biscuits

By Stuart Alexander

BRITAIN COULD be exporting an extra 50 per cent in biscuits and cakes over the next five years, according to Mr. Bill Bowman, chairman of the Cake and Biscuit Alliance. But this will depend on marketing conditions and regulations within the EEC as well as the industry's ability to improve profitability at home.

In his annual report Mr. Bowman says that a joint committee has been established with the Ministry of Agriculture, Fisheries and Food "to consider current and future problems, objectives and aspirations, out of which should emerge a more stable climate for our industries in which to operate."

This particularly concerns the impending threat of monetary compensation amounts being imposed on the exports of British biscuits which would raise their price by between 3 and 10 per cent, said Mr. Bowman. Markets other than the EEC would be similarly affected and he added that a drop in output caused by higher prices could eventually mean that some jobs would be threatened.

YUGOSLAVIA Bridging the technology gap

BY LORNE SARLING RECENTLY IN BELGRADE

THE TECHNOLOGY gap between East European countries and the West which is acknowledged to be substantial in most industries, now appears likely to undergo long-term trade in a wide range of products, unless more East-West joint ventures are embarked upon.

In food products, for example, basic raw materials such as wheat or corn are now increasingly processed into oils or sweeteners and marketed to manufacturers. And until producer subsidies have the technology to process their trading capabilities are diminished greatly.

Similarly their consumer products, often manufactured by means of technology long discarded by Western countries, are being sold in ready-made markets in the West. For that reason many joint-venture projects with European or U.S. companies include buy-back arrangements or the goods are sold within the Eastern block.

W. Berlin Soviet deal in jeopardy

By Leslie Collins

BERLIN, April 7. THE AWARDDING of a contract by the Soviet Union to a West Berlin engineering consultant company to build a new Moscow airport terminal in time for the 1980 Olympic Games is now threatened by a large state-owned West German company.

Last November Soviet officials and representatives of W. Berlin-Consult of West Berlin signed a preliminary agreement for the construction of a terminal building worth approximately DM250m. The new Stanin airport to be built for the Moscow Olympics. In the meantime, however, the West German Government-owned Salzgitter, which has a thriving engineering division, is reported to have underbid the West Berlin company as general contractor for the Soviet project.

Salzgitter does 37 per cent of its export business with Comecon countries while Berlin-Consult, although much smaller, has concluded some impressive turn-key contracts with the Soviet Union, Poland and East Germany. Berlin-Consult is part owned by the City of West Berlin.

Talks are said to be taking place between the Berlin engineering consultants and Salzgitter to reach some form of compromise solution. Loss of the contract by the Berlin company would be rather embarrassing for the West German Government which is trying to encourage West German industry to increase investments in West Berlin. A compromise might result in Berlin-Consult drawing up the plans for the new Moscow airport, which are based on the recently laid out West Berlin plan with Salzgitter being put in charge of construction.

Only recently two large West German companies with factories in West Berlin cut back on their work force in the city which has already seen a loss of 30,000 civilian jobs over the past few years.

Australia imposes quotas on New Zealand clothing imports

BY KENNETH RANDALL

NEW ZEALAND clothing exports to Australia are being brought under Australia's tariff quota system for the quota year running to next February 28. Details of the new arrangements were announced over the week-end by the two governments following an agreement made earlier this month under the New Zealand-Australia Free Trade Agreement.

Until now, New Zealand has been exempt from the tariff quotas which apply to all other clothing suppliers to the Australian market and there has been a growing volume of protest from Australian manufacturers of goods, but with progressive monitoring to ensure that serious disruption to the New Zealand industry is avoided.

The EEC time being, New Zealand exporters to Australia will not be subject to firm quotas with the various product categories and the arrangement will operate virtually as a licensing system. But the New Zealand goods will be counted into total quota for each category, suggesting a contraction in the quantity of other suppliers if New Zealand exports rise above 1976 levels. In that event, however, to-day's announcement suggests that New Zealand would face a firm quota barrier.

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Until now, New Zealand has been exempt from the tariff quotas which apply to all other clothing suppliers to the Australian market and there has been a growing volume of protest from Australian manufacturers of goods, but with progressive monitoring to ensure that serious disruption to the New Zealand industry is avoided.

The EEC time being, New Zealand exporters to Australia will not be subject to firm quotas with the various product categories and the arrangement will operate virtually as a licensing system. But the New Zealand goods will be counted into total quota for each category, suggesting a contraction in the quantity of other suppliers if New Zealand exports rise above 1976 levels. In that event, however, to-day's announcement suggests that New Zealand would face a firm quota barrier.

BAC presentation to Japanese

BY CHARLES SMITH

BRITISH AIRCRAFT CORPORATION (to become part of British Aerospace from April 29) has just completed two weeks of formal presentations on the modified version of the BAC One-Eleven aircraft which the company hopes to sell to TOA Domestic Airways.

Thirteen BAC staff-men came over to Tokyo for the briefings, which were backed up by a Japanese language dossier estimated to be about two inches thick. The presentation covered operating costs, noise levels and pollution control as well as technical specifications of the aircraft itself.

The group of 13 included Mr. Chris Hamshaw Thomas, who has been in charge of the BAC sales effort to Japan since its initial stages nearly two years ago, and BAC's chief test pilot for the One-Eleven.

BAC was assisted by its Japanese agent, Jardine Matheson (Japan), and by Sumitomo Shipyards, the Mitsubishi Corporation. The group which provided technical "back-up".

The TOA order, if BAC gets it, will probably be for 30 aircraft and may be worth around ¥100bn. (about \$200m.). Two extremely careful and experienced competitors are in the race however. They are the Fokker F28 and a modified version of the McDonnell Douglas DC-9.

Import share of French market falls

PARIS, April 17.

A TOTAL of 31,845 made private cars and 21 were sold in France in the 154,486 new registrations in the country during the first three months of this year, foreign manufacturers took 19.5 per cent of the market compared with 18.5 per cent in the like period of 1976.

The Ford group's best sales during the first quarter were followed by Fiat and Renault.

The Association that overall French motorcycle sales increased 10 per cent in February, with four machines showing a rise per cent.

Israeli export of ISRAELI exports grew during the first three months of this year by 22 per cent, compared with 1976, followed by a 10 per cent rise in 1976.

World Economic Indicators

RETAIL PRICE INDICES

Table with columns: Country, Mar. 77, Feb. 77, Jan. 77, Mar. 76, % Change on year earlier, Index base year. Rows include U.K., Holland, W. Germany, France, Italy, Japan, U.S., Belgium.

With Yugoslavia now process of easing legal allow more foreign into the dinar perhaps towards acceptability as currency, Western countries likely to look more closely at country with considerable ability for co-operative work.

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Callaghan warns Soviets on Africa

BY MICHAEL YAN OS

A WARNING that the problems of Africa should be resolved by Africans was given here today by Mr. James Callaghan, addressing the Socialist International party leaders' conference held here over the week-end.

Calling for prudence and restraint by all parties, he said he did not deny the Soviet Union's "legitimate right" as a superpower status brings with it "superpower responsibility to know when to stay out."

Mr. Callaghan told the conference whose subject was "East-West Relations after Helsinki," that there was no such thing as "internationalised detente," and co-operation in Europe required restraint and prudence elsewhere.

The British Premier said there was still time and opportunity for Africa herself to evolve peaceful solutions to many outstanding problems. There is much dry tinder, however, which outside countries could be the means of igniting and not only in the "white-ruled countries" he stressed.

This would increase the chances of conflict in general and a race war in particular. "It will be tragic if the people of Africa have a new foreign orthodoxy thrust upon them, having so recently thrown off the old imperialism," he said. He added that if such involvement continued, it would have its effects on other East-West elements: "detente can have only limited significance until it is extended into the military sphere."

Mr. Callaghan also told the delegates who came from 20 countries, that the approach to the problem of nuclear proliferation was of particular importance to progress in detente. East and West should work together on these problems. "We have little time left to develop an effective international strategy—it will soon be too late," he warned.

The British Premier said that Britain would support an agreement to ban all nuclear tests, so long as it provided for adequate verification, as well as ensuring that peaceful nuclear explosions were not used to obtain weapons-related benefits. These need not be insuperable obstacles, however, he said.

The problems regarding nuclear non-proliferation were only part of the general problem of the future of the world's energy resources, he said. The West and the East needed to get an agreed analysis on what are the sources of energy that we possess and how long they are likely to last at any projected rate of growth.



HOME NEWS

U.S. deal will help Scott Lithgow save shipyard jobs

BY OUR SHIPPING CORRESPONDENT

SCOTT LITHGOW has become the first leading British shipbuilder to plan a major diversification in a bid to protect jobs during the present slump in world demand for ships. The Lower Clyde company, which will soon be part of the nationalised corporation British Shipbuilders, has signed a co-operation agreement with Deep Oil Technology of Long Beach, California, to market a new design of tension-leg oil platform.

An order for the new design would be vital for the company's yard whose large steel service is "another significant step forward in our attempts to find suitable alternative work for the large modern fabrication facilities which we have created in our Port Glasgow shipyards. Scott Lithgow will have completed its two remaining oil tanker orders by 1979. Mr. Ross, managing director, said yesterday that if an order was forthcoming it could be in a position to deliver its first oil platform in 1979-80.

More oil platforms used for housing workers

BY OUR SHIPPING CORRESPONDENT

DEMAND FOR mobile offshore oil platforms has been stimulated by their increasing use as accommodation for construction workers, according to a new market report. London shipbroker, Eggar Forrester says that platform activity is "particularly high" for the time of year and this is because they are being used in roles other than drilling. Modern platforms "offering good motion characteristics" moored alongside fixed structures, with accommodation for up to 150 construction personnel, are available at an all-in cost to oil companies of about \$140 per day per bed.

Record £2m. profit by Henley Forklift

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

HENLEY FORKLIFT, the industrial truck group, made record taxable profits of £2.13m. in the year ended August 31, according to the annual report which has just been filed at Companies House. This compares with £1.83m. in the previous financial year. Turnover also jumped substantially from £12.95m. to £18.5m. Henley's merger with Laseing Bagnall has just been completed and Mr. F. C. Hawkins, Henley's chairman, discloses that the projected annual combined sales for the current financial year are £100m.

CBI urges better Press role on economic policy

BY ADRIAN HAMILTON

THE SUGGESTION that "Government should have some rather more systematic way of being able to explain their economic strategy to the people" was made over the weekend by Mr. John Methven, director-general of the Confederation of British Industry.

Mr. Methven, speaking to the Guild of British Newspaper Editors, criticised the media for exaggerating the degree of opposition to further wage restraint and said that Government in Britain did not have sufficient "vehicle" to get their strategic message across. He was against "a Ministry of Propaganda" but Britain must be one of the few countries without some kind of Ministry for internal information.

The traditional form of political broadcasts and debates or speeches outside Parliament all provided very limited opportunities for a Chancellor to explain major economic policies. "As a result no sustained campaign of public explanation of strategies is ever really attempted." Without some more systematic way of getting the Government message across "everything is left to Parliamentary debate and speeches and, in terms of media coverage, what I can only describe as 'survival of the fittest'."

Sir Peter Kirk dies

BY RICHARD EVANS, LOBBY EDITOR

SIR PETER KIRK, Tory MP for 1963 he was a member of the U.K. delegation to the Council of Europe, and in 1964 was appointed Under-Secretary for the Army. His death will mean a by-election in the safe Conservative seat of Saffron Walden, where Sir Peter, knighted in the New Year Honours last year, had a majority of 6,821 at the last General Election.

Healey may reflate in autumn, former Treasury man says

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

A REFLECTIONARY Budget this autumn, concentrating on indirect tax cuts and subsidies to make a short-term impact on inflation, is a "strong possibility" according to Dr. Alan Budd of the London Business School.

Dr. Budd suggests in the Economic Bulletin of stockbrokers Fielding Newson-Smith and Co. that by autumn, if not before, the Chancellor of the Exchequer may believe he has scope for increasing the borrowing requirement in 1977-78 of £1bn, while still staying within the ceiling laid down by the International Monetary Fund.

This would reflect a revision of forecasts in the light of the tight controls over public spending. Dr. Budd, who is a former senior Treasury economic forecaster, says that further income tax cuts are likely to be ruled out for administrative reasons. The main impact might therefore be directed at prices with a combination of cuts in Value Added Tax, increased subsidies (especially to nationalised industries) and tighter price controls.

If the present squeeze on the money stock lasted until the end of the 1976-77 banking year (this week) there would be an exceptionally low base for the ceiling rate of increases for both domestic credit expansion and money supply for 1977-78. Easter

Toyota may build at Bristol after all

By Kevin Done, Industrial Staff

THE PORT of Bristol Authority appears set to salvage some of its original package deal with Toyota G.B., the Japanese car importer, for building a distribution centre at the city's West Dock. But the scale of the project is likely to be smaller than originally planned.

Last year Toyota became involved in a wrangle with the Department of Industry over the granting of an Industrial Development Certificate, because the Government wanted it to site its expansion in Liverpool.

After successfully overcoming this obstacle, Toyota appeared ready to go ahead with the first phase of a £32m. development that would eventually have established a distribution depot, parts division and administrative headquarters at Bristol.

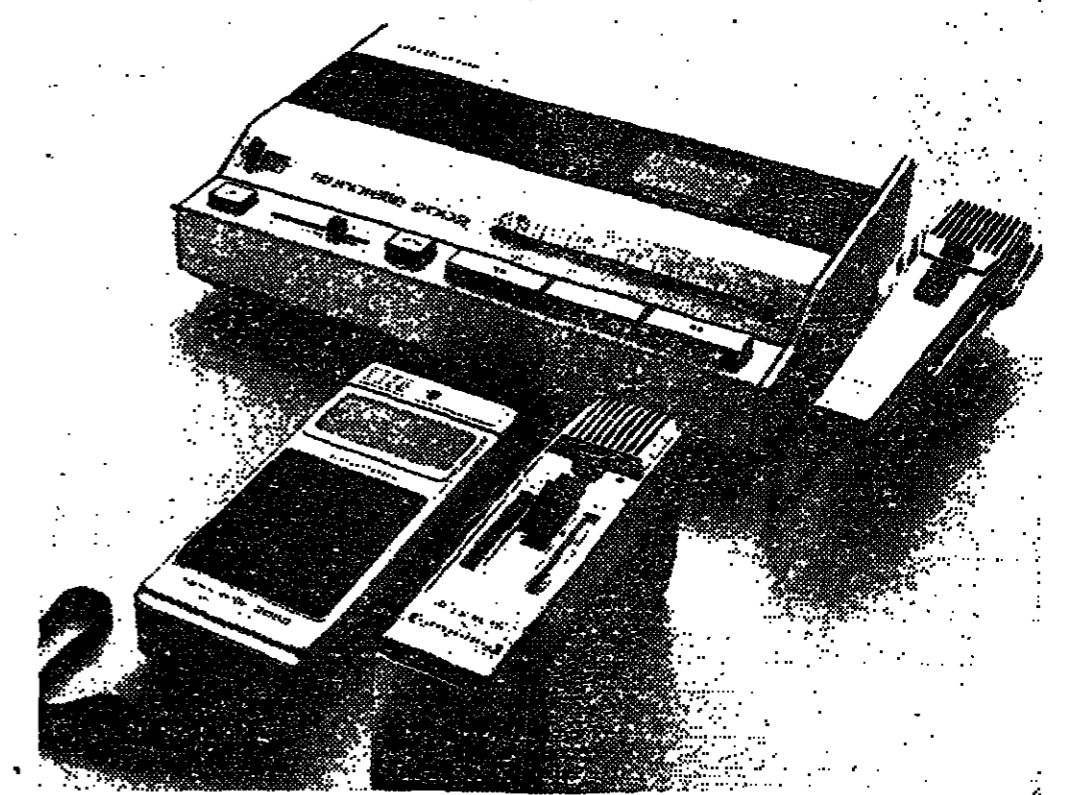
Last month, however, Toyota announced it was carrying out a "complete reappraisal" of a project because the surprise results of a land survey were going to push up building costs.

Now the port has responded to the threatened withdrawal by offering Toyota a new site and negotiations are again under way.

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APPOINTMENTS

AN INTERNATIONAL CONTRACTING FIRM specialising in erection of industrial plants, pipelaying and operation and maintenance of water works. Requires contract for employment for two years (with possibility of extending to three) for Saudi Arabia (Jeddah) with a person with the qualifications of a Chief Officer for big water works as specified in the Manual of British Water Supply Practice, published by the British Institution of Water Engineers.

ANALYST Conversant with international stockmarkets, particularly USA and Japan, required to join small active team with leading international stockbrokers. Candidates should be able to write short precise synopses. Excellent prospects for the right person. Salary negotiable and non-contributory pension scheme. Please write, giving age and full details of experience to date, to: Box A5807, Financial Times, 10 Cannon Street, EC4A 3BY

COMPANY NOTICES

PAN-HOLDING S.A. Luxembourg As of 31st March, 1977, the company's unconsolidated net assets amounted to \$US72,996,845, i.e. \$104.28 for each of the 700,000 shares of \$10 par value representing the company's capital.

IS ON imports CANBERRA Secretary of the... PAN-PUBLISHING BOOK IN 900



HOME NEWS

Spanish air miss will increase concern

By Arthur Sandles

THE SPANISH air miss which brought passengers and crews aboard a British Airways Trident and an El Al jumbo jet with 800 yards, or a little over two miles, of air disaster last week will add to the already growing concern about air safety over the Mediterranean basin.

The near miss, (traced an air miss by the aviation industry) has become the main European holiday season is getting underway. In the background lie the facts that:

Spanish air traffic controllers have been working to rule for almost a year with one of their major grievances being the inadequate facilities of some technical facilities.

The International Civil Aviation Organisation is updating a report on European navigation facilities, which 18 months ago showed major gaps in facilities in Spain, Italy and Greece.

While the court case involving Yucavac air traffic controllers who were on duty at the time of the Zarech air crash continues, investigators are also trying to complete their findings on the Tenerife collision last month.

Improvement

At the moment there is no public measure of many nations' air safety records, other than Press cuttings. Britain and the U.S. are among the few countries which publish detailed lists of air misses—in the U.K. the number of Grade A (potentially serious) incidents has been declining rapidly in recent years. There were three involving civil-transport aircraft in 1973, compared with ten in 1972, when there was less traffic.

Spanish air traffic control equipment is undergoing updating and improvement. By the height of the summer season some highly sophisticated new facilities will be in full operation.

At the moment all incidents involving British aircraft have to be reported to the U.K. Civil Aviation Authority. The authority, however, has no right to announce on incidents in foreign airspace and never does so.

Rail manning cuts 'can save £140m.'

BY ADRIAN HAMILTON

BRITISH RAIL could save £140m, a year, the equivalent of a 30 per cent. overall cut in fares, if it adopted the manning practices of European railways, according to a report by a rail users' pressure group.

The report by Railway Rescue claims that "British Rail is grossly inefficient both in its use of staff and capital resources."

Based on site observations, letters from the public and discussions with former railway executives, the highly critical report suggests that there are something like 32,000 surplus drivers, guards and administrators.

In particular, the report attacks the use of "second men" on locomotive footplates. "There is no case for a second man being carried in the cab of a diesel or electric locomotive, yet British Rail has made no efforts to implement properly one-man operation."

"The job the guard performs

on many, though not all, trains is an anachronism," it says, and also suggests that white collar staffing levels are far higher than on other railway systems.

In Britain, the proportion in 1973 was 17.5 per cent. of the staff total, while in Denmark the figure was 9.1 per cent.

Giving instances of what it regards as wasteful practices, Railway Rescue says that the Port Talbot iron ore service uses twice as many drivers as are needed, while on the Edinburgh to Plymouth intercity service, seven three-man crews worked a ten-and-a-half hour trip, averaging one-and-a-half hours each.

Leaflets summarising the argument are to be distributed to rail travellers, and the organisation's 35-page dossier on overmanning has been sent to the Parliamentary Select Committee examining British Rail.

Two other highly critical reports published over the week-end

deteriorating morale among nurses in the National Health Service and the confusion of local government.

The call for a restructuring of local government comes from the London Chamber of Commerce. A paper says that the complexity of local government causes overlapping functions which lead to a duplication of expert staff resulting in high administration costs and delay in such areas as planning.

The report on the health service has been prepared by the Conservative Women's national advisory committee.

It says that morale among nurses is being undermined by the "careless hiers" of the reorganised health services. Among its recommendations are the removal of one tier from the new organisation, reduction in the paperwork load on nurses, identification of one person to be responsible for day-to-day management decisions, and some form of compulsory training for nursing auxiliaries and assistants.

Fall in demand for new cars likely to be followed by rise

BY ADRIAN HAMILTON

DEMAND for new cars in the U.K. this year could fall from last year's level of 1.3m. new registrations in 1976 but is likely to accelerate rapidly in the following year, according to projections released today by Economic Models, the economic consultancy organisation.

The predictions by the group, which also believes that imports will continue to increase their share of the home market from 38 per cent. last year to 45.5 per cent. next year, are relatively more pessimistic for this year than the industry's forecasts.

Thanks to more rapid growth in exports, however, U.K. production of cars is expected to continue its recovery, increasing by 10.7 per cent. this year and a dramatic 14.2 per cent. next year, provided that strike activity does not exceed that of 1975.

Economic Models also predicts a bright future for commercial vehicles, predicting an 8.1 per cent. rise in registrations in 1977 and a 10.7 per cent. increase next year, with production rising rather more slowly at 2.3 per cent. this year and 4.2 per cent. next year.

Its projections are part of a series of forecasts for car de-

mand and production in Western Europe, Japan and the U.S. released today.

The main uncertainty is the course of consumer savings and consumption over the year. Where last year saw car sales increase largely by business demand, this year and next will be largely determined by the course of private buying.

This may not be as buoyant as the Society of Motor Manufacturers and Traders suggests because a further squeeze in real incomes and uncertainty over the future could make consumers cautious about expenditure.

Against the British trend, Economic Models sees demand in Europe, Japan and the U.S. growing relatively fast this year, but then slowing down.

This pattern, although highly uncertain, would have interesting implications for the U.K. in that domestic British demand would be growing next year just as other major centres of car manufacture were looking for new markets to offset lower demand in their countries.

This could imply an awkward time for British manufacturers unless Leyland greatly improves its performance.

Stansted may be third London airport in decade

BY ARTHUR SANDLES

STANSTED AIRPORT, the subject of an environmental fight against expansion in the mid-1960s, could be London's third airport in 10 years, says a leading official of the British Airports Authority. It could be handling 10m. passengers a year, about two-thirds of the present Heathrow total.

The prospect of the massive expansion in business handled by an airport which has a throughput of 250,000 people a year, is bound to provoke alarm among residents in the surrounding areas of rural Essex.

Communications to Stansted were improved dramatically last week with the opening of a further section of the Mill motorway.

Suggestions of a greater use for Stansted came last night from Mr. Don Turner, director of planning to the British Airports Authority. He said on a London Weekend Television that Stansted had "all the ingredients" for being the third airport.

It had a very good runway; that could get one to almost any part of the world, and a terminal that could handle 10m. passengers a year, he said. "We could double the size of that building and probably put in due course, 3m. to 4m. through it."

It could be equal in capacity to Gatwick within the present space at the airport. "We could really develop it in the way that you see Gatwick developing today. The airports are about the same size."

With the provision of a new terminal, new cargo terminal, and more maintenance facilities, Stansted, "without acquiring more land, and without building more runways, could then do the sort of traffic that I have developed for it, which would be nominally 15m. to 16m. passengers a year by the mid-1980s."

British Airways is to increase the frequency of Concorde flights to Washington from three to four a week from May 13.

Growing pay claim actions forecast

By Our Labour Correspondent

WHITE-COLLAR engineering union leaders say that there will be increasing industrial actions over the next year by working men to defend their living standards.

The forecast comes from the national executive committee of the staff section, TASS, of the Amalgamated Union of Engineering Workers in their report to the annual conference which begins in Bournemouth today.

Their report says: "We remain convinced that the continuing failure of the Government to deal with inflation while restraining wages will inevitably produce conditions in which organised workers will engage in industrial action in order to defend their living standards."

Many of the TASS branches have submitted resolutions opposing further wage restraint, and the left-wing led union can be expected to maintain its past form and reject incomes policy.

Action ballot for teachers

THE NATIONAL UNION OF Teachers will ask members in Oxfordshire whether they would take stronger industrial action against the county education authority's plan to cut teaching staff by 9 per cent.

The action would consist of refusing to teach classes above a size to be determined by the executive, withdrawing from lunch-time supervision and school meals duties, or withdrawal of other services.

Copter strike talks to-day

HELICOPTER FLIGHTS to North Sea oil rigs were again hit yesterday by a strike of 60 pilots at Bristow helicopters at Aberdeen. Talks on the strike—over the dismissal of a pilot—started last night and are expected to continue today.

If the strike continues it could severely disrupt oil drilling operations. British Petroleum's Forties Field is chiefly hit by the dispute.

TUC steel group appeals to Port Talbot strikers

BY DAVID CHURCHILL

A STRONGLY WORDED appeal to the 560 striking electricians of the British Steel Corporation's Port Talbot plant in South Wales to return to work immediately was made last night by the influential TUC steel industry committee.

The TUC warned that the electricians' unofficial strike over pay differentials was threatening the jobs of other steel workers as well as jeopardising the corporation's commercial future. BSC to shut the massive Port Talbot works, losing 45,000 tonnes of steel a week with nearly 8,000 workers laid off, and could soon hit other Welsh steel plants dependent on Port Talbot. So far BSC has avoided more job-offs by using stocks and importing some steel.

The TUC especially made clear to the strikers that their action was jeopardising efforts to save jobs at BSC plants at Ebbw Vale, Hartlepool, and Scotland.

"Strikes like the present one cripple the efforts which we and the Corporation have jointly made to help the British steel industry to survive and British workers in steel and allied industries to remain off the dole."

Commitment

Last night's statement was made after the steel committee had considered Port Talbot's unwilling refusal by the strikers to return to work.

The strikers want a firm commitment of pay rises ranging up to £10 a week for all electricians

and not just a few who are being asked to take on extra responsibilities.

The steel committee decided to warn the strikers of the effects of their action on the industry which is in a severe recession. Only 65 per cent. of the steel-making capacity of our EEC partners is being used. About 20,000 French steel workers face early redundancy and similar problems exist in Germany, Belgium and Italy. "Bankruptcies among European steel makers are becoming inevitable."

The committee says: "We appeal to the trade unionists on unofficial strike at Port Talbot to help us save jobs by returning to work and progressing through the union the grievance which have precipitated this strike."

Fears of further row at Massey-Ferguson

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

AN UNRESOLVED pay dispute at Massey-Ferguson's tractor plant in Coventry, which earlier this year caused a bitter 11-week strike could flare up again.

Talks at local level between union officials and management about manning levels and pay for cab assemblers on the new No. 50 series of tractors have failed to make progress.

The company has now referred the issue to a special meeting of the National Joint Industrial Council, the top tier negotiation body, on Wednesday. Prospects for a settlement seem poor as the gap between the levels of output demanded by management, and the production achieved is still very wide.

Failure to agree at the national level will mean that procedure has been exhausted and the company will be free, if necessary, to take disciplinary action.

Flash point in the 11-week strike, which prompted a workers' occupation and scenes of unprecedented bitterness at the Banner Lane plant, was management's decision to take 136 cab assemblers "off the clock" for alleged lack of effort. The executive of the Amalgamated Union of Engineering

Workers, which declared the dispute official, maintained that the company had reacted precipitately and its action was tantamount to a lock-out.

The peace formula eventually hammered out established a procedure for dealing with grievances but still left completely the piece-work issue at the heart of the dispute.

Management maintained that with the present manning levels the 136 cab assemblers should be able to achieve an output of 40 tractors a shift. Output in the five weeks since the strike ended has varied considerably but on average, is little different from the 30 tractors a shift achieved in November and December.

Mr. Rowland Jennings, managing director of the U.K. subsidiary of the Canadian multinational, has stressed repeatedly that it is essential to establish realistic manning levels to withstand competition at home and abroad.

Peace rates agreed with the cab assemblers will set the level of earnings throughout. The Banner Lane plant for nearly a decade. Success for the new 500 series of tractors is crucial to the U.K. company retaining its domestic and export market share.

Banks' use of private contractors attacked

By Nick Garnett, Labour Staff

THE National Union of Bank Employees decided yesterday on the opening day of its annual conference in Sheffield, to fight the increasing tendency of the main clearing banks to use private contractors for routine maintenance work such as cleaning.

"This could possibly mean some form of industrial action if this policy of the big banks continues," said Mr. Keith Jones, the union's assistant secretary for technical and services staff.

The union believes that the trend will reduce job opportunities for its members employed as cleaning staff, repair and maintenance crews and messengers. Employers argue that subcontract work is often cheaper and easier to organise than employing full-time staff.

The main motions at the conference covering pay, industrial democracy and the union's bitter struggles with the bank staff associations, are scheduled for discussions today and to-morrow.

The union's executive said last week that it would not expect to seek for its members any further stage of wage restraint unless this allowed for wage rises of at least 16 per cent. together with improved fringe benefits.

ENTERTAINMENT GUIDE

ENTERTAINMENT GUIDE listing THEATRES, CINEMAS, and ART GALLERIES with showtimes and prices.

PLANT & MACHINERY SALES

Table listing various machinery items such as 'TWO VARIABLE SPEED FOUR HIGH ROLLING MILLS', 'ROTARY SWAGING MACHINE', etc., with descriptions, prices, and contact information.

JAMES WILKES LIMITED

The Annual General Meeting of James Wilkes Limited will be held on Thursday, 12th May, 1977, at Waterpump. The following are extracts from the circulated statement of the Chairman Mr James Wilkes, for the year ended 31st Dec. 1976.

Curacao Tokyo Holding N.V. Notice to the holders of Curacao Tokyo Holding N.V. 8 1/2 per cent. Guaranteed Bonds Due 1988 and 10 1/2 per cent. Guaranteed Notes Due 1981.

CLASSIFIED ADVERTISEMENT RATES table showing rates for Industrial and Business Premises, Residential Property, etc., with columns for per line, single column, and double column.

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April 18 1977

Appeals  
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CINEMAS

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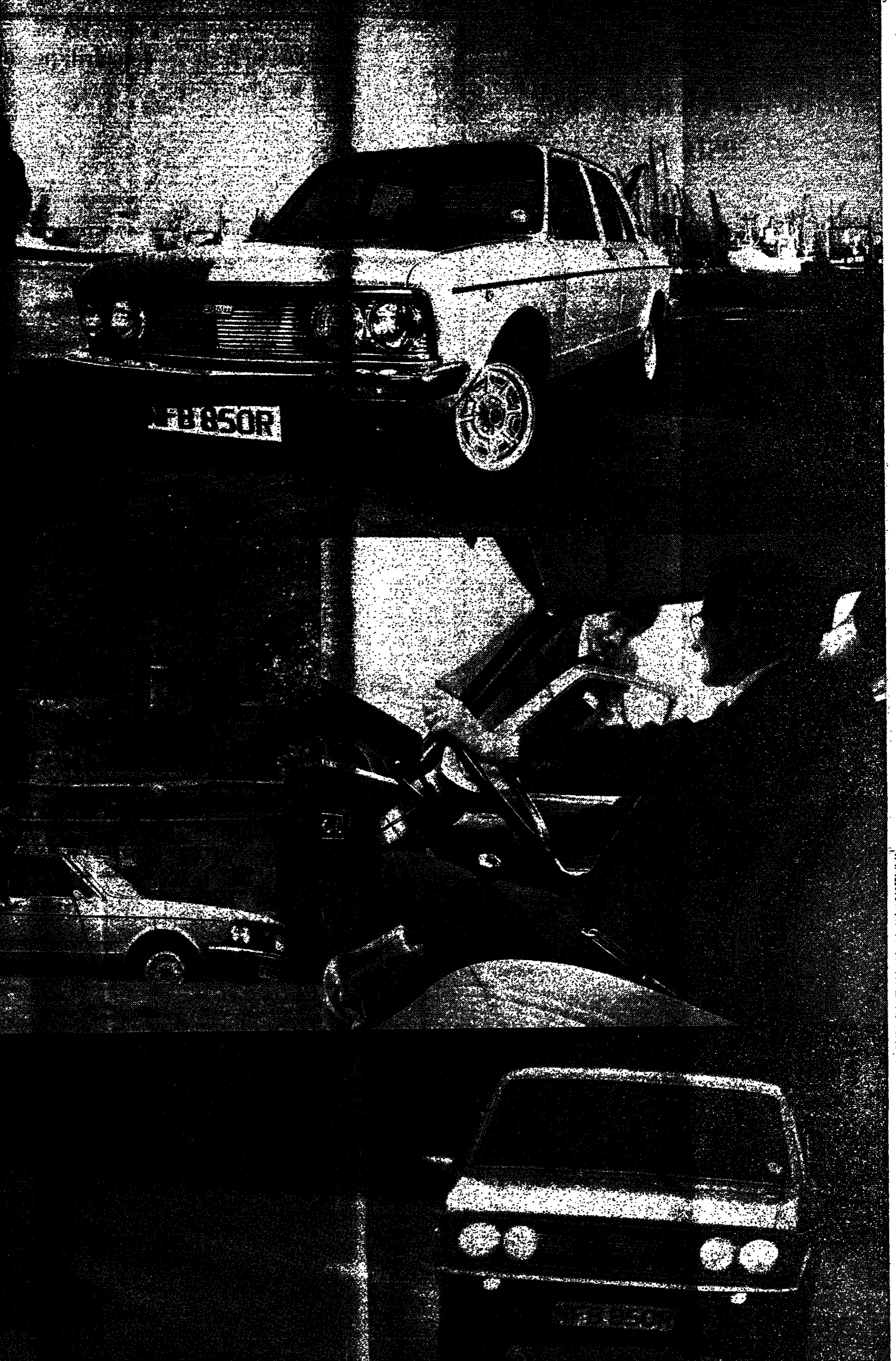
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To appreciate why Bruce Pearce owns a Fiat 132, it is necessary to drive one.

As Financial Controller of a firm of international shipping agents in Bristol, Bruce Pearce travels 2,000 miles a month visiting ports from Aberdeen to Southampton. Although he could have chosen any one of several great European cars, he plumped for a Fiat 132 ES.

"In my job it's essential my car is enjoyable to drive and handles well. In my 132 I can travel

200 miles very quickly and climb out at the other end as relaxed as when I got in. That's what I call drivability."

Until August 31st, the Fiat 132 is particularly attractive. You can personalise the car to suit your own requirements by choosing £150 of free accessories and also take advantage of the special low interest personal loan scheme. Full details on the Fiat 132 and these offers are

available in this booklet by writing to: Fiat Information Service, (Dept. FT 1), P.O. Box No. 39, Windsor, Berks SL4 3SP. To arrange for a 132 to be brought to your office or home for a test drive please contact your local Fiat agent.

**FIAT 132 ES**



The 1300 cc 5 speed car is priced at £8099. The 1800 cc 5 speed car, shown above, is available with manual or automatic transmission. (Car tax, seat belts, seat belts and VAT included. Number plates and delivery charge extra.) (Loans are subject to applicant's credit worthiness). Offer closes August 31st 1977 and is subject to availability. Prices correct at time of going to press.



# Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

## QUALITY CONTROL

### Fillip for U.K. optical testers

MANUFACTURING and sales rights on two quality assurance inspection instruments of importance to the world optical industry have been secured by W. F. Stanley (Sime Darby).

Both were developed at the research laboratories in Chislehurst of the SIRA Institute using laser and electronic measurement technologies.

The optical surface inspection gauge will give a quick, accurate assessment of the quality surfaces on lenses, mirrors, prisms, gratings and semiconductor materials.

By analysing laser beam reflection from the surfaces, it indicates imperfections, both digitally and by CRT. Built into the scanning unit is a visual facility to classify "first", "second" or "reject". The gauge inspects automatically the whole component surface and indicates the position of scratches and the total defective area.

The scratch classifier inspects substantially flat surfaces of these components and compares them with a required standard.

In the development of the devices the main considerations applying to the search for surface defects such as scratches and pits were the required cosmetic or aesthetic quality of the surface, and the necessary performance of the component. The former is particularly important for consumer products such as spectacles, binoculars and cameras, and the latter is of major importance in, for instance, military optical equipment.

The classifier has been designed to assess the severity of an individual scratch which has been seen on the surface of a component, in order to allow a decision on component acceptability to be made.

The classifier employs a dark ground viewing system to enable the operator to place the scratch to be measured in the centre of the instrument's field of view. A laser scanner system is used to access the scratch severity.

The laser beam is focused by means of a cylindrical lens into a sharp line of width about 20 micrometres and a mirror

vibrates this line at right angles to its length, so as to trace out a small rectangle. Simultaneously, the beam is slowly rotated by a drive prism so as to cover an area about 1.5 mm in diameter on the surface of the component under inspection. The beam is reflected from the "common" surface and is incident on a photodetector.

Assuming that the scratch to be assessed has been moved into roughly the centre of the field of view by the operator, at some stage the rotating laser line will be coincident with the scratch, and a sudden beam attenuation due to scatter and absorption will occur. This maximum degree of attenuation is monitored by measuring the maximum drop in intensity in the beam reflected back off the surface on to the photodetector.

The instrument output is in the form of a digital display which classifies scratches into 19 categories, each class representing a step of approximately 5 per cent in beam attenuation. The device may be used in conjunction with a set of test standard scratches, each of which is first assessed by the instrument.

More from Sime Darby at Portland House, 188, Charles Street, London, W1X 7HD. 01 409 2951.

### Tests on rubber

SEVEN INSTRUMENTS for testing rubber have been developed by Monsanto. They will be shown for the first time on the company's stand at Rubberex, Brighton, May 16-20.

The densitron is claimed to be the first fully automatic instrument to measure the specific gravity of rubber. Designed for repetitive testing of samples in applications such as factory quality control and compound development, it has a capacity of 100 samples/hour—rest cycle time is 35 seconds—and up to 30 samples may be tested in one cassette. Accuracy is said to be better than  $\pm 0.5$  per cent, and



densities down to 0.55 can be measured. Results are printed. Up to 30 sample discs can be tested automatically on the Duratlon hardness tester. Features include an accuracy of  $\pm 1$  International Rubber Hardness Degree; and 48 dead load tonnes from 5 to 30 tonnes. Results are printed. Sample size ranges from 35 to 45mm diameter and thickness from 4 to 6.5mm and the machine will carry out single or three-point tests.

The Durolab is a smaller version of the Duratlon. It produces results on a digital display, and makes only single point measurements, but the accuracy is similar to the larger machine. It will take samples up to a maximum of 110 x 40 x 25mm thick.

To measure melt viscosity over a range of shear stresses and rates, Monsanto has launched an automatic capillary rheometer, which can be used in extrusion, injection moulding, melt spinning, Banbury mixing, calendaring and other melt processing operations.

A sample press has also been developed to take rubber test samples providing a fixed volume across a range of thicknesses. It eliminates excess flashing, and thus variable platen temperatures. The memory characteristics of extruded rubber as it emerges from a capillary rheometer can be measured with a die swell detector, which measures and indicates the material's response at conditions similar to processing shear rates and temperatures. It can be used to control flow moulding, film and profile extrusion and other processes where draw down characteristics or dimensional stability are critical. This instrument uses a collimated laser beam which sweeps the extrusion.

Finally, the company has introduced a power ultrasonic which continuously measures and displays the power used by Banbury, mill or other systems. It has a digital display. Details from Monsanto, Edison Road, Dorcan, Swinlon, Wills, SN3 5HN (0783 31315).

### NORTH SEA OIL

#### Vets drill performance

A DITCH magnet for use in the offshore industry has recently been produced by Magnet Developments (division of the Preformations Group). The magnet has been designed to remove metal cuttings from the return mud channel in drilling work. Operators so therefore given warning and information on down-hole conditions, preventing damage to valuable pumping and drilling equipment.

### COMPUTERS

#### Supply for micros

PRINTED circuit board-mounted power supply developed specifically for driving microprocessors and computers has been put on the market by Coutant Electronics, 3 Trafford Road, Reading, Berks. RG1 5JR (0734 55391).

### COMPONENTS

#### Memory is made in Britain

ITT's semiconductor plant at Footscray in Kent is now producing second generation 4k random access memory (RAM) chips in a 16 pin package. The company claims to be the first in Europe to do so and is predicting a big swing to a 16 pin standard 4k RAM with sales reaching \$120m by 1978 out of a total world market of \$160m for all RAMs.

ITT Semiconductors has been making the 1103 one kilobit dynamic RAM at Footscray for some three years and describes the latest move as a "full commitment" to the memory market.

The new device, designated ITT 4027 is manufactured using the silicon gate technology process and it claimed to be faster than "first generation" devices with an access time of 150 nanoseconds and a 100 ns page mode ability.

The resolution to govern requirements and may be passed by a simple majority of the shareholders present and voting, with the restriction that no shareholder whether by himself or by proxy can vote for a number of shares in excess of 10% of the shares present or represented at the Meeting.

### INSTRUMENTS

#### Finds level of moisture

INTENDED for determining the moisture content in grain, flour, tobacco, pulverised fuel and other bulk industrial products is an X-band microwave attenuation measuring set put on the market by Microwave Associates, Dunstable, Beds. LU5 4SX (0582 601441).

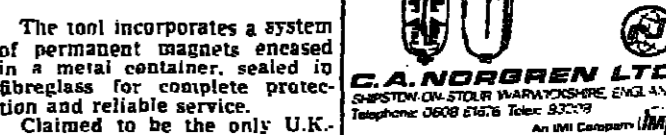
### PROCESSING

#### Wire losses reduced

IMPROVING automated control of wire drawing machinery is a solid-state controller by the electrical division of Marshall Richards Barco (The W. Ward Group).

The controller provides total flexibility of speed between blocks and automatically computes the individual motor speed signals to each dancer arm. These in turn adjust the block speed to permit one-man/machine supervision. This auto-

### Norgren's Compressed Air Aces



Specialty designed for the job, it is a modified Anchorpac P-65, which compacts the glass fibre at a ratio of 7.5 to 1, forcing some 200 cubic metres of fibre into a 200 cubic metre container. The containers also had to be modified to incorporate a hydraulic ejection system to remove the seven-tonne load of waste fibre. The compactor fits a container in 15 hours.

### HANDLING

#### Compacting glass fibre waste

SPRINGY GLASS FIBRE waste is produced in thousands of tons at St. Gobain's works at Rantigny and Orange in France. To deal with the waste at each factory, the company, which is the largest manufacturer of insulating materials in the country, has installed a British compaction system.

The maker says that compared with its nearest European competitor, this equipment packs the waste to twice the density in a quarter of the time.

Anchorpac, Beck Lane, Amersham, Bucks. (0294) 35811.

### SCISSOR LIFTS

CAPACITIES FROM 500 to 10,000 kg are available in 50 different units comprising a range of scissor lifts launched by Becker Equipment and Lifts, a TI machine division company.

Called the Big Bronze range, the lifts are stated to cover all the usual industrial requirements. Standard platform sizes extend up to 3,000 x 1,219 mm, and lifting heights range from 813 to 1,930 mm. The lifts are built to the requirements of the British Code of Practice CP53: 1977.

The hydraulic arms, attached to the scissor arms, are shorter than with the lifts fixed to the base of the lift. The lifts are operated by hydraulic control.

The company is also marketing a range of dock levellers made in Canada by an associated TI company, Serec Engineering. They are claimed to be the cheapest dock levellers in Europe. Maximum width available is 2,130 mm, and reaches up to 3,050 mm and can be provided.

More from the maker at Filling Road, Alpering, Wernheby, Middx. HA6 4PA (01-803 0211).

### CONTRACTS AND TENDERS

#### NOTICE OF INVITATION TO TENDERS

### VOLTA RIVER AUTHORITY

#### KPONG HYDRO-ELECTRIC PROJECT (CONTRACT No. KP.1)

"The Supply and Delivery of Various Plant and Spare Parts to the Volta River Authority"

- Financing**  
The Finance for this Contract shall be provided from a loan to the Volta River Authority by the International Bank for Reconstruction and Development (IBRD).
- Eligibility**  
The following are eligible to Tender:  
All Suppliers who have accredited Workshops and Spare Parts Stores established in Ghana. Suppliers must also have Registered Offices in the Member States of the International Bank for Reconstruction and Development including Switzerland.
- Subject**  
Manufacture Supply and Deliver to the Volta River Authority in the Republic of Ghana.  
1. Vehicles of various types.  
2. Construction equipment of various types.  
3. Spare Parts for items 1, 2 and 3.
- Technical Enquiries**  
Further technical information may be obtained by writing to the following address:  
The Chief Executive,  
Volta River Authority,  
P.O. Box M.77,  
ACCRA - GHANA.
- Submission of Tenders**  
Tenders should be prepared in English in triplicate and forwarded by Registered Post with advice of delivery to the Chief Executive, Volta River Authority, Room 1009, 10th Floor, P.O. Box M.77, Accra-Ghana, to arrive not later than 12.00 GMT on the 10th OF JUNE, 1977.  
Tenders may also be handed in personally to the above-mentioned Chief Executive before the Tenders are opened.
- Invitation to Tender Documents**  
The Document may be obtained on application in writing from the Chief Executive, Volta River Authority (Contract KP.1), P.O. Box M.77, ACCRA - GHANA.
- Price of Tender Document**  
SC\$50.00  
All applications for Tender Documents should be accompanied by a crossed cheque made out to "The Volta River Authority".
- Despatch of Tender Documents**  
Tender Documents may be collected personally, after payment, from Room 1009 of the Volta River Authority Head Office in Accra. Where requested the Documents shall be sent to the applicant by Post.  
Issued by: CHIEF EXECUTIVE

### YEMEN ARAB REPUBLIC

#### National Water Supply and Sewerage Authority

### SANAA SEWERAGE PROJECT

The National Water Supply and Sewerage Authority announces that a credit from the International Development Association through the Government of the Yemen Arab Republic has been approved to finance construction of sewerage facilities for the city of Sanaa, the capital of the Yemen Arab Republic. It is intended that proceeds of this credit will be applied towards payment under the contract for which this notice is issued. Bidding shall be open only to suppliers/contractors from countries who are members of the World Bank and Switzerland.

Only tenders from suppliers/contractors experienced in supply of materials which will comply with specification and of sound financial position will be considered.

- Scope of the contract:
- Supply only and transportation to Sanaa—  
1. Asbestos cement pipes and fittings of various diameters from 300 mm. to 1,450 mm. and total length 110 km. approx.  
2. Verified clay pipes and fittings of various diameters from 150 mm. to 450 mm. and total length 133 km.
  - Alternatively  
unplasticized PVC pipes as detailed in item 2 or asbestos cement pipes as detailed in item 2.
  - Cast iron manhole covers—total number 2,000.
  - Cast iron inspection chamber covers—total number 9,300.
  - Gully covers, road gullies, ventilation columns, step iron and steel reinforcement bars.

The document will be available in the offices of the National Water Supply and Sewerage Authority and at Heward Humphreys and Sons, Leatherhead, Surrey, U.K. by the 30th April, 1977. Interested bidders can purchase the document by writing now to the following offices after payment of \$US\$250, being the cost of the tender.  
National Water Supply and Sewerage Authority,  
P.O. Box 154,  
Sanaa, Yemen Arab Republic.  
Consultants:  
Howard Humphreys and Sons,  
The Quadrant Manor,  
6, Dorking Road,  
Leatherhead, Surrey,  
United Kingdom.  
Tel: Leatherhead 76130

The closing date will be noon on the 13th June 1977.

### COUNCIL FOR ROAD CONSTRUCTION MAINTENANCE AND RECONSTRUCTION SKOPJE ADVERTISES

that it has intention of beginning the construction or reconstruction of the arterial road No. 1. Kumanovo-Veles road section in length of 53 km. and transforming it into a highway. The construction-reconstruction of this road includes as follows: preliminary works, sub-grade, pavement, drainage, tunnels, and road facilities and signalization.

Tenders who are going to participate in the prequalification should be from countries-members of the International Bank or Switzerland. They could expect to be prequalified by the Employer for one or more road sections.

Enterprises interested in the participation of the prequalification are invited to submit references with brief descriptions of their updated experience in carrying out the works of similar nature as well as a survey of their financial situation, in accordance with the documents for the Preliminary Information.

Application forms for the prequalification are to be submitted to the Council for Road Construction, Maintenance and Reconstruction, P1000 SKOPJE, "Bihaks" St. No. 1, YUGOSLAVIA, within 30 days, but not later than May 15, 1977.

The Employer will invite the enterprise which would be determined as qualified to submit their bids for the execution of the works.

### Integration extended

FURTHER steps are being taken in the direction of large scale integration, this time by National Semiconductor which has revealed for example, a single chip carrying all the active components of a digital voltmeter.

Passing through London in a European seminar programme to promote the new devices, Bob Bennett, National's CMOS marketing manager said he could see little need for yet more counters, gates and flip-flop elements.

Instead, we are starting to design building block LSI parts," he said. In May, samples will be available of the 31 digit voltmeter chip which uses a pulse code modulation technique and drives a multiplexed seven-segment display directly. Overflow and polarity are shown by symbols and the conversion time is 200 milliseconds.

The appearance of such devices becomes presumably yet another reduction of design content for the instrument makers and must again raise the question of whether the semiconductor company will eventually enter the finished product market here as it has in calculators and watches. The problems would be fewer, there being no distribution/consumer chaos to consider.

### Speculation

There is also bound to be some speculation about the end price of voltmeters using such devices in view of the fact that National's starting price in May will be 25.5.

The chip has an on-board clock, runs from a single five volt supply from which it consumes only 45 mW, requires only six passive non-precision external parts and has its input protected to 200V.

Other items to be offered shortly include a display controller for use with microprocessors to avoid the display's housekeeping activity being loaded on to the processor, and a chip that converts seven segment display signals to binary coded decimal.

Of particular interest is an eight bit analogue-to-digital converter with a 16 channel input multiplexer and a 256 resistor ladder on the chip. It has latched tri-state output, sample and hold and a conversion time of 100 microseconds. The device was originally developed for a major U.S. car manufacturer in connection with the optimisation of engine performance and control of emission products.

Sixteen quantities (desired levels and engine operating parameters) are monitored in order to optimize timing and driver settings. Samples of driver settings should be available in August and the price, although not yet fixed, is likely to be in the £15 region. The company believes that the converter will at last allow a D to D conversion to take place where it is really needed—and expects to see some industrial as well as industrial applications.

GEOFFREY CHARLISH

### 117 INTERNATIONAL GROWTH FUND

Societe Anonyme  
Headoffice: Luxembourg, 2, rue Notre-Dame  
Trade Register: Luxembourg, B 10452

#### Notice of Meeting

Messrs. Shareholders are hereby convened to attend the Statutory General Meeting which is going to be held on May 3rd, 1977 at 10.30 o'clock at the headoffice, with the following agenda:

- To consider the reports of the Directors and of the Statutory Auditor.
- To approve the statement of net assets as at 31st December, 1976 and the statement of operations for the year ended on that date.
- To approve the payment of a final dividend of 0.31 per share in respect of the year 1976 to shareholders of record 3rd May, 1977.
- To approve the transfer to the Legal Reserve of an amount of US\$ 184,000.
- To elect Directors and the Statutory Auditor and their discharge.
- To elect Directors and Statutory Auditor.
- To transact any other business.

Shareholders are not to be proposed at the Annual General Meeting of shareholders are not subject to quorum requirements and may be present by a simple majority of the shareholders present and voting, with the restriction that no shareholder whether by himself or by proxy can vote for a number of shares in excess of 10% of the shares present or represented at the Meeting.

In order to attend the Annual General Meeting of the Company on Tuesday 3rd, 1977 the owners of bearer shares must deposit their shares five clear days before the Meeting at the registered office of the Company, 3, rue Notre-Dame, Luxembourg.

The Board of Directors

### FRIENDS' PROVIDENT LIFE OFFICE

NOTICE IS HEREBY GIVEN that the ONE HUNDRED AND FORTY-FOURTH ANNUAL GENERAL MEETING OF THE MEMBERS IS APPOINTED TO TAKE PLACE AT PAINTERS' HALL, 9 LITTLE LONDON-WALL, LONDON E.C.4A ON WEDNESDAY, 11th MAY 1977, at 2.30 p.m.

- To receive the Accounts for the year ended 31st December, 1976 and the reports of the Directors and Statutory Auditor thereon.
- To elect Directors.
- To appoint Auditors and determine the mode of fixing their remuneration.
- To transact any other ordinary business.

A Member entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote on his behalf and such proxy need not be a Member of the Office. The instrument appointing a proxy, a specimen of which is set out in rule 30 of the Rules of the Office, must be deposited at Friends' Provident Life Office, Park Lane, Dorking, Surrey, at least forty-eight hours before the meeting. Proxy forms may be obtained on application to the Secretary.

Members intending to attend and vote personally at the meeting should be prepared to quote their policy number. By Order of the Directors R. M. CHINSON, Secretary.

### ENISA VISCOSA SOCIETA NAZIONALE INDUSTRIALE APPLICAZIONI VISCOSI

#### CONVOCAZIONE DI MEETING

Shareholders are hereby notified that an Ordinary General Meeting will be held on Friday 23rd April 1977 at 3 p.m. at the headoffice of the Company in Milan to deliberate on the following:

- Report of the Board of Directors and of the Statutory Auditor.
- Balance Sheet as at 31st December 1976 and the statement of operations for the year ended on that date.
- Appointment of Directors.
- Appointment of Auditors.
- Determination of the mode of fixing the remuneration of the Auditors.

In order to take part in the Meeting shareholders of shares other than those deposited with the Depository should deposit their shares with the Depository at least five working days before that of the Meeting at the Office of the Company in Milan, Via Manzoni 27, 20121 Milano, Italy.

### NEWPORT CERAMIC HOLDING LIMITED

NOTICE IS HEREBY GIVEN that the 1976 ANNUAL GENERAL MEETING of the named company will be CLOSED in accordance with the provisions of the Act for the preparation of Dividend Warrants by Order of J. BIRTHWISTLE Secretary.

### HENRY SYKES LIMITED

THE TRANSFER REGISTER of above-named Company will be CLOSED on 23rd April 1977 both dates inclusive by Order of A. POTTS, Secretary.

### LEGAL NOTICES

NOTICE TO CREDITORS in the Matter of GOLLIN HOLDINGS LIMITED  
The New South Wales Companies Act, 1961 is amended.

THE QUEENSLAND COMPANIES ACT, 1961 is amended.  
The New Zealand Companies Act, 1953 is amended.  
PURSUANT TO THE PROVISIONS of the Scheme of Arrangement approved by the Creditors all-whome creditors of the above-named Company are requested to state their debts or claims and to establish any title they may have in the aforementioned assets or claims, by verifying their respective debts or claims, in default they will be excluded from the benefit of any distribution made by such creditor or claims are proved or objected to in any such distribution. Any creditor wishing to rely on a proof of debt already lodged with the Official Liquidators of the above-named Company should submit written notice of such intention to the Official Liquidator on or before the 21st day of May, 1977.

Form of proof may be obtained from the undersigned.  
DATED this 6th day of April, 1977.  
G. J. BOSKING,  
Company Administrator,  
P.O. Box 81,  
WATERLOO, N.S.W. 2115,  
Australia.

### VILLA OWNERS

We are looking for select large individual Villas with pool for 1978. Memoranda, plans and photographs in Algerie, Tunisia, Morocco, Mauritania, Mali, Senegal, Gambia, Guinea and Cote d'Ivoire.

Please send full details to: Mean Villa Holidays, Petersfield, Hampshire.

PRIVATE FUND OF £300,000 is now open to SPICY SALMON FISHING on the River...  
GALLIOLI RESTAURANT in the heart of the...  
NELL GWYNNE HOUSE GARAGE...  
Glenview 33073 209

ماذا من الاطعمه



# The Sony HMK 70 hasn't received one bad review. So we pulled it to pieces ourselves.

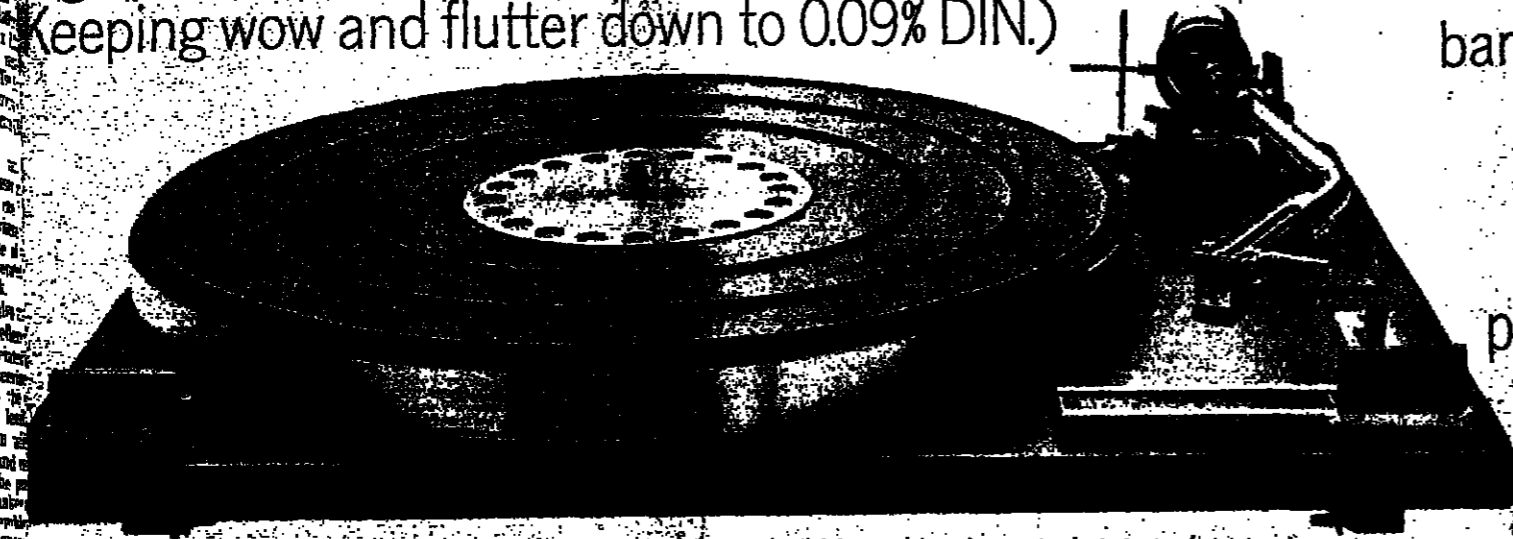
A lot of people have said a lot of nice things about the Sony HMK 70.

Why? What makes the HMK 70 sound so good? We thought we'd take it apart to show you. We've broken it down into individual units. Described each one's qualities. And compared it with other separate hi-fi we make.

To begin at the beginning, we'll take a look at the disc-playing equipment.

## THE TURNTABLE.

It's a semi-automatic belt-driven turntable with a large platter heavy enough to assure constant speed. Keeping wow and flutter down to 0.09% DIN.)



The tone arm is light, well-balanced and tracks at a recommended 3gms.

(Helping to keep your records in good condition.) And it has a magnetic cartridge.

It is similar in most respects to the PS 1700 turntable that Sony sells separately.

## THE CASSETTE DECK.

The cassette deck features a Dolby noise reduction system, which reduces tape hiss without affecting the sound quality.

(The net result can be as much as 10dB of noise reduction at high frequencies.)

It has a signal-to-noise ratio of 46dB using normal tape which can be improved further by the use of the Dolby system.

It has Ferrite & Ferrite heads which last up to 200 times longer than conventional heads and give a wider frequency response.

And it has facilities for normal tape, Chromium dioxide and Ferrichrome tape.

It is, in most respects, similar to the Sony TC136SD, which we sell separately.

## THE TUNER.

It has sensitivity of 2.2µV which indicates its ability to receive weaker radio signals.

It has selectivity of 50dB IHF. The higher it is, the

better the tuner's ability to select the station you want rather than the next one on the dial.

It has a capture ratio of 2dB. The smaller it is, the better the tuner's ability to suppress interference, as well as ignore the weaker of two stations broadcasting on the same frequency.



It has a separation of 35dB. Which shows good ability to keep left

and right signals from over-lapping.

It has medium wave, long wave and stereo FM wave bands and multi-light tuning indicator.

It compares with the Sony ST2950F.

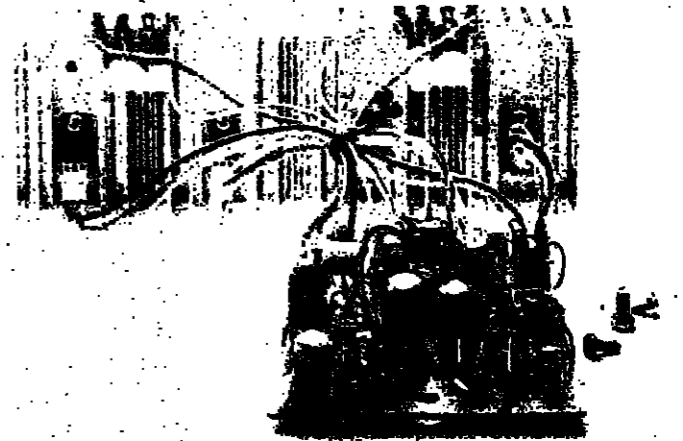
## THE AMPLIFIER.

Measured in the most accurate and meaningful power rating, RMS, it gives 20 watts per channel output without audible distortion.

Similar to the Sony TA1630 power amplifier.

There's a balance control and separate bass and treble controls.

The loudness switch boosts bass and treble when you are playing the amp at low volume.



(Which compensates for the tendency of the human ear to hear mostly mid-range sound when the volume goes down.)

And the hi-filter reduces interference and lessens the effects of scratches, hiss, vocal sibilants and the like.

## THE SPEAKERS.

The HMK 70 comes complete with a pair of Sony SS 2030 speakers.

The same three way speakers that can be bought separately and used with other hi-fi systems.

If you like the sound of the Sony HMK 70, you can see it at your local Sony dealer or the Sony showroom, 134 Regent Street, London W1R 6DJ.

And review it for yourself.

**SONY.**



\*Dolby is a registered trade mark of Dolby Labs Inc.



# Building and Civil Engineering

## Huge homes project for St. Albans

APPROXIMATELY 27.5 acres of land at Jersey Farm, St. Albans (Herts), have been acquired by New Ideal Homes as the initial stage of a 1,400 dwelling development scheme. The land belonged to the Royal London Mutual Insurance Society. Jersey Farm is the first major development to be released in St. Albans for many years and is close to the Marshalswick district where New Ideal built in the mid-1960s. The site will be developed by two of the main housing subsidiaries of the Trafalgar House Group—New Ideal Homes and Willett Homes.

Detailed planning permission has already been granted for a variety of styles of homes from two-bedroom houses and bungalows to four-bedroom luxury houses. The homes are expected to be available for occupation by the end of 1977 with prices of between £15,000 and £30,000. Total value of the project to Trafalgar is believed to be at least £20m.

## Replacing asbestos

FOR THE first time, the Greater London Council has conditionally approved the use of an asbestos-free building board in several situations where, traditionally, asbestos boards have been employed.

Cape Boards and Panels, reporting this, says the material is called Supalux, introduced by them at the turn of the year as a replacement for one of their main lines.

This acceptance applies only to the inner London area, but the company expects authorities elsewhere in the country to follow suit. GLC regulations, Cape indicates, are known to be among the strictest in the country.

A recent GLC Development and Materials Bulletin indicates that the Supalux product, according to independent certification, behaves comparably with asbestos based insulating board under tests to BS 476, Parts 4, 6 and 7.

## Work on prestige hotel in Damman

INTERIOR design work on the vast Damman Oberoi hotel is to be carried out under contract by the Dale Keller and Associates group which opened a London office on March 1.

What the value of the work will be to the group is not disclosed. However, the total cost of the hotel, in which rooms are estimated to demand some \$100,000 each, cannot be far from £20m.

It is a 300-room five-star structure on a site area of 22,500

square metres; to be fully air-conditioned and to provide facilities for meetings and business functions while having the ability to cater for the most widely varied tastes in food.

Completion is scheduled for the latter part of 1978.

Dale Keller has worked for the Oberoi Group on several other hotels, in the Far East including those in Bombay, Colombo, Singapore, and New Delhi. It has been responsible for the total interior design concept in each case.

## Service to cover site facilities

WYSEPLAN has a new service to provide specialist design facilities—usually only available in-house within larger construction groups—for the smaller contractor wishing to provide an integrated standard of accommodation units on his sites throughout the country, relieving engineers and sub-contractors of this responsibility.

Use of the new service will mean that, following an initial briefing, Wyseplan design engineers will be quickly able to ascertain an individual company's requirements from a number of personnel needing accommodation, to the location and terrain.

Accommodation units—site huts, single and double storey offices, canteens, toilets, etc.—will be supplied to sites anywhere in the U.K. on a hire or buy basis.

The dynamic growth in the building business

**TERRA**

Terraplan International Ltd., Blenheim, Milton Keynes. Tel: Milton Keynes (0508) 711111

## Holst build nickel unit

HOLST Wales, a subsidiary of Northwest Holst, has been awarded a £1m contract by Sircon of Twickenham, for the design and construction of the civil engineering and buildings for the fluid bed roaster at Inco Europe's nickel refinery at Clydach in Wales, recently described in the Technical Page. Inco is the largest supplier of nickel in Europe. Installation of the new roasting plant means that Clydach will be the only refinery in Europe able to produce Class I and Class II nickel.

The Holst contract is for the design and construction of the house the fluid bed roaster and its associated gas cleaning and acid plants, including foundations for acid storage and loading facilities. Work starts in June and the completion date will be August 1978.

## Factory building perks up

FACTORY work looms large in the £3.8m. of awards won recently by companies in the Douglas Group, primarily R. M. Douglas Construction.

A new nose factory for Dunlop at Morecambe is valued at £915,000 and entails the construction of a main production unit 228 metres long by 32.5 wide and 6 high to save with an attached compounds preparation building of 31 by 32.3 by 7 metres.

They will be of steel portal frame structure with precast concrete wall cladding. The contract period for the job, which has started, is 49 weeks.

Another contract covers three factory buildings and is worth £478,000. There will be nine warehouses and offices at Kings Norton, Birmingham, built for Slough Estates Design

and Construction. Precast concrete frames with brick and metal cladding are specified.

At Chiswick a £251,000 contract has been won for the construction of new offices for Property Holding Investment Trust. The three-storey block will be linked to an existing building. Reinforced concrete frame with in situ concrete floors will be used.

Welsh Development Agency work is for an advance factory to cost £244,000 at Tafarvauch. This will have 2,428 square metres of floor space.

Warrington Development Corporation's order is for a £299,000 site development for the four phases of a housing scheme of 397 dwellings.

R. M. Douglas Roofing has been awarded a series of jobs for metal deck roofing and cladding adding up to a total of £300,000.

## Blackburn plants

WORTH JUST over £1m, two industrial building contracts have been gained by Holland, Hannan and Cubitts (Northern).

The larger contract, worth £776,000 is for Tom Martin and Co. which has specified an 8,494 square-metre factory and offices block to house metal sales and smelting operations.

The second project is for the Nelson organisation and involves an investment of £350,000 in a three-storey research and development building alongside existing premises. Architects are Mather and Nutter.

## Flats to be built by Townson

WILLIAM TOWNSON and Sons has been awarded a £968,000 contract by Bolton Metropolitan Borough Council for the construction of 134 flats. Work has started.

## Specialist refractor operation

WORTH over £1m, has gone to Refractor of Glasgow to build a brickwork for two coke ovens being built at Port Talbot by Carves.

Refractory is core £1m job for the installation of precast concrete linings for the plant being built by Chalmers at Redcar. It also is on the point of a £1m contract on the linings of the direct plant being set up at Farnborough.

## Facts about formwork

TO PROMOTE good practice in the design, construction and safe use of formwork, and especially to ensure high quality of in situ or precast concrete in outline and finish are the main aims of a report published by the Joint Committee on Formwork set up by the Concrete Society and the Institution of Structural Engineers.

The report covers most materials and construction techniques associated with formwork, indicates the subdivision of functions, and provides guidance for architects, engineers, specifiers and contractors.

In the report formwork is defined as "a structure, usually temporary, but in some cases wholly or partly permanent, used to contain fresh concrete until it has attained sufficient strength to support itself without prejudicing the final structure. Formwork includes the surface in contact with the concrete and all necessary supports." The definition may, in some cases, include falsework.

The committee stresses, in the introduction, that attention to detail is essential for a satisfactory result, and therefore much of the document is concerned with the detailed use of specific materials.

It is acknowledged that certain aspects of formwork may be contentious and where these have been touched upon the committee gives a reasoned view based on its collective experience and hearing in mind that sometimes there may be more than one acceptable solution to a particular formwork problem.

The committee says that it proposes to update the report in about five years, and asks readers to submit comments to the Concrete Society.

Questioned on whether this report will become the basis for a BS Code of Practice (as happened with an earlier report on falsework), the committee chairman (Mr. K. J. Adams) emphasised that the document is intended as a guide. It was indicated that its translation into a statutory regulation would not be particularly welcome.

Copies of the report (A4, 78pp, ref. no. SL3/075) are available, price £8, from the Concrete Society, Wexham Springs, Slough SL3 6PL.

## Samples from the seabed

POWERED AND actuated by a hydraulic control system, a seabed sampling rig has been developed by Terresearch, a foundation engineering specialist company within the Taylor Woodrow Group.

The rig will obtain data concerning seabed strata in deep water to determine whether the strata can support gravity or jack-up type drilling platforms used for oil or natural gas exploration and production. It can also provide geological and soil engineering information for positioning underwater pipelines and anchor installations, for dredging, and sewer outfall prospecting.

The unit has two main parts—the drilling rig and the deck handling equipment. The latter comprises a platform and davit, together with a hydraulic winch which handles an umbilical hose feeding the drill rig on the seabed.

Lifting operations to place the drill rig over the ship's side and on the seabed are usually carried out by the ship's winches (or standard equipment brought on board for the operation).

Coring can be repeated up to 10 times in any drill location, to give a continuous profile of the seabed strata to a depth of about 10 metres. Ten cores are stored in a rotating cassette in the core barrel. After ten cycles the rig is returned to the deck of the vessel.

The umbilical hose line, which contains seven hydraulic hoses and an electric cable, is controlled from a deck level drum. This free-wheel during pay out on the descent, and is rotated hydraulically when the rig is lifted. While the drillhead is on the seabed, the drum winds in or pays out automatically to apply a constant tension to the hose line.

The hydraulic system was designed in conjunction with, and many of its components were supplied by, Alex. Denison, Victoria Gardens, Burgess Hill, Sussex. RH15 9ND. (04446 5121).

## Plant to be expanded

CONSOLIDATED Pneumatic Tool Company is to undertake a £4m. development programme within its equipment division. This investment, which is to take place over the next two years, is a further stage in the company's long-term reorganisation.

This latest development will involve a substantial increase in the manufacturing facilities for the company's range of air compressors, construction and building tools and associated equipment. Britain will soon be the main centre for the manufacture of portable air compressors by the parent company, Chicago Pneumatic.

There will be a substantial increase in the present labour force at the company's main factory at Fraserburgh over a five year period. Additional plans are in hand for a new compressor assembly plant to be sited at Corby, Northants.

the manufacturing facilities for the company's range of air compressors, construction and building tools and associated equipment. Britain will soon be the main centre for the manufacture of portable air compressors by the parent company, Chicago Pneumatic.

## Final phase at Holloway

LAST stage in the redevelopment of the Holloway Prison site started this month when work on the remainder of the complex, which will form the site for a new hospital and administrative block intended to be finished in the early 1980s.

One of the units to come down

## Success of system exports

SYSTEM Building D the Lesser Group has secured sales of over its system buildings in export orders of accommodation units U.K., French and German companies contributed to the majority of the accommodation units in the Middle East, including 70 "Supacom" bungalows for the Saudi Arabian. Recheil Company, agents for the huge complex at Jubail

## Big office block by Laing

INFIRMARY STREET, LEEDS, is the site chosen for a 12-storey office block to be built under a £21m. contract by John Laing Construction.

Work will start on this Sun Alliance and London Insurance Group project this month for completion in the autumn of 1978.

The intention is to provide 66,000 square feet of commercial office space in an open-plan layout for rental.

Flexible air conditioning with individual zoning is planned, with tinted glazing and carpeting throughout.

In situ concrete framework

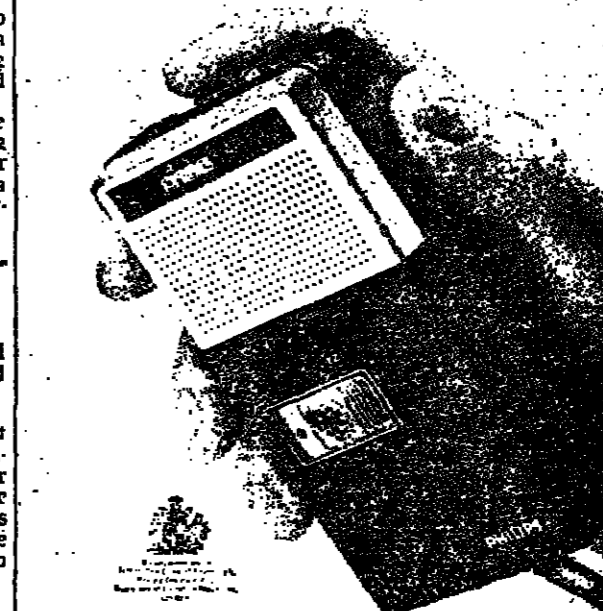
and floors have been specified with an external cladding of polished granite and brickwork.

Architects for the project are Leach Rhodes and Walker, of Manchester, with quantity surveyors Kinler and Partners, London and Leeds.

The Laing, Birmingham operation has won a £326,000 job to set up at Redditch (Worce.) a new bus servicing and parking facility for Midland Red Omnibus Company.

There is to be a bus service building with various servicing arrangements and parking for 40 vehicles. The site is in a former railway cutting at Plymouth Road, Redditch.

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### IN BRIEF

- Robert Marriott has won in recent months some £2m. worth of contracts covering houses, schools, offices and a leisure centre. Contracts pending at the moment add up to a further £4m. covering some six projects.
- Robert Watson and Co. (Steelwork), Bristol has completed the erection of a computer-designed steel frame for a new spinning mill for Carrington Virella Yarns, at Atherton, near Manchester. The contract calls for a two bay 114 metre x 55 metre portal frame building, together with roof steelwork.
- Anglo American Corporation of South Africa has awarded hostel contracts worth £21m. to Comforce (pty.), a member of the LTA Industrialised Building Systems (IBS) Division. The contracts call for the construction of two complexes, one at the Elandsrand mine and the other at Vaal Reefs South. Comforce, a company specialising in heavy precast concrete building systems, will phase the construction of the two complexes over the next 41 years. Planned completion date is May, 1981.
- A new sales and marketing organisation, formed by subsidiaries of the Boughton Engineering Group, will make its debut at the ISWET Public Cleansing Conference and Exhibition in Paignton on May 30.
- Charcon Tunnels of Kirkby-in-Ashfield, Nottinghamshire has received an order worth over £100,000 to supply tunnel linings for Central Milton Keynes (West) Main Drainage from the Anglian Water Authority (Milton Keynes Division). Main contracts are Miller Buckley Construction of Rugby.
- Gleason (Construction) of Scarborough has completed the construction of a large refrigerated cold store in Cairo for the Misr Import and Export Co. The value of the contract was in excess of £1m. and all the sub-contractors on the scheme were, apart from the groundwork, UK based companies. The contract was a "Design and Build" package deal.
- TAC asbestos cement pipes worth £170,000 will be supplied for a Peterborough sewerage scheme, Eastern Outfall Foul Sewer, under an order received from Shanks and McEwan (England), of Corby.
- Telford Development Corporation's new property maintenance depot at Heath Hill is to be built by Second City Construction, of Birmingham. The £215,000 contract is due to start soon and is expected to take 12 months to complete.
- Work has started to provide a new road to Telford Development Corporation's latest housing area. Rush and Tompkins of London has netted the £429,845 contract.
- Turriff has signed a contract for the design, supply and construction of a waste shredder plant for the Government of the Commonwealth of the Bahamas in Nassau New Providence Island. The contract is worth approximately \$2m.
- Tarmac is trimming its quarry products division to improve service and two new companies are being set up, one to cope with the northern half of Britain and the other with the south. Tarmac Roadstone (Northern) is to be located at Matlock and Tarmac Roadstone (Southern) in Wolverhampton.
- Two-part coloured polyurethane floor sealant can be applied in two successive coats and is ready for light traffic after overnight curing. Various colours are available. More from Tremca of St. George's Road London SW19 4DY.
- Wyseplan Monospace mobile accommodation units are providing temporary hospital and recreation accommodation at the Feltham closed hospital during the redevelopment programme now in progress. These are fully recoverable structures, flexible enough in their design to permit them to be turned into medical accommodation, showers, cloakrooms, rest rooms and recreational units.

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# The Executive's and Office World

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EDITED BY JOHN ELLIOTT

## MOVING A HEADQUARTERS

# Express transfer to Brighton

BY SUE CAMERON

THIS MONTH American Express begins a major move that will mean transferring the contents of 13 different offices, including a heavy and delicate computer, to the company's new European headquarters in Brighton. The logistics involved in planning and executing such an event are formidable, and involve far more than deciding on a date, ordering a fleet of lorries plus some extra labour and informing employees of the organisation's new offices.

Every aspect of a large scale removal operation has to be planned in minute detail. For example, a sophisticated piece of machinery such as a computer cannot be manhandled to the back of a van and driven off to the new site because of the damage that could be caused.

### Filing system

An office move also has to be discussed with a company's employees who are often better able than senior management to foresee potential problems associated with their own departments. Careful consideration even has to be given to the shifting of a filing system because lost or disordered files can result in chaos.

The main criterion for judging the success of any office move is that an organisation's normal business should not be significantly disrupted. When a large company is changing its premises this can mean that the removal operation has to be phased over a period of several

weeks. The American Express move, for example, will take a total of four weeks to complete. American Express is employing Giltspur Bullens Transport Services to carry out its removal operation which will cost an estimated £70,000 and require 85 vans and 400 removal men.

**The logistics involved in a large scale office move are formidable... the criterion for judging success is that the company's business should not be unduly disrupted**

The company's computer is being shifted to Brighton in a number of visits. Display units, and 20 specially designed vehicles will be needed to transfer delicate equipment to the new offices.

The first thing that Bullens and American Express did was to set up a joint planning committee in January with the title of American Express move task force. The committee's job has been to timetable the move, to foresee possible problems, and to ensure that American Express staff are kept fully informed.

The existing American Express offices, most of which are in Sussex and therefore fairly close to the new Brighton headquarters, are to be sold or let. The undoubted star of the move is the IBM 12.75 computer which is being taken to Brighton from its present site at Haywards Heath in Sussex. The

first thing to be moved will be the IBM console and then, three weeks later, Bullens will return to Haywards Heath to start erecting steel scaffolding needed to shift the main computer. A temporary window is to be made in the existing computer room and then, under the watchful

eye of IBM engineers, the precious cargo will be ushered off its plinth and on to the floor—an operation that will take several hours—before being hoisted out of the building and carefully packed and cushioned in the removal van.

### Computer

The moving of the computer will not however hold up American Express business because the company is installing a second smaller computer at its new headquarters which will keep the records up to date.

There are 1,400 staff involved altogether in the move and most of them will be required to assist in one way or another. Files, for instance, have to be labelled, packed and loaded in sequence so that they are in the right order and immediately usable when they arrive in

## EXECUTIVE HEALTH

BY DR. DAVID CARRICK

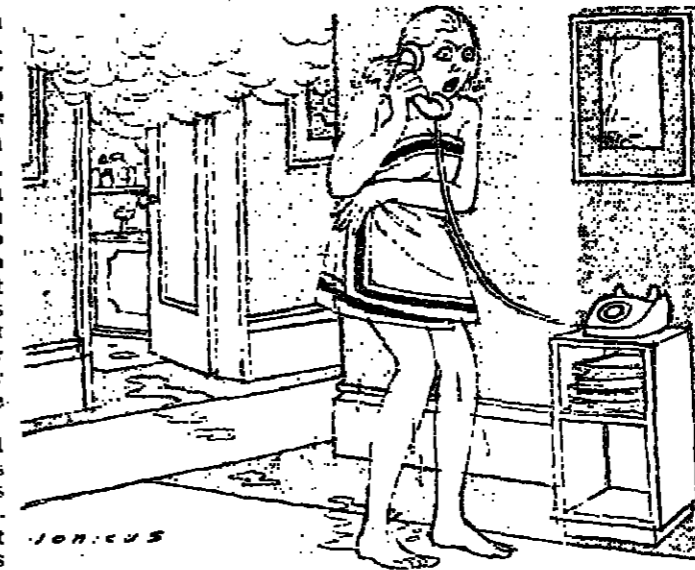
# Hooliganism down the wires

THE MODERN miracle known as STD is a mixed blessing. True one can telephone New York with ease should one so desire, but less far-flung calls are not so reliable and can sometimes prove embarrassing. I had problems recently when trying to ring a friend in Gerrards Cross. Needless to say, it was not my intention to dig an unfortunate woman out of her bath in Reading. She was not particularly pleased about this interruption in her cosy ablutions and accepted my apologies for the Post Office with ill-grace.

Not wishing a distasteful repetition, I waited 10 minutes to let the electronic brain-cells sort themselves out. Unfortunately they did not, and I got her again. To make matters worse, she had reprimanded herself and her language, after her dripping journey, was quite immoderate. She even called me a "peeping hooligan." What ever that might be.

To avoid further trouble I rang the operator and bade him "good evening." A long pause was followed by a puzzled "Pardon?" I repeated my greeting and the man said he thought that was what I had said but fancied he had misheard the words. "Is it so strange then, I asked, "for someone to bid you good evening?" "Strange!" he echoed. "It's only the first time in my 15 years that any caller has said anything like that to me."

A sad comment but one, I no longer buzz was ever have since learnt that could be repeated thousands of times by shouting human displays his



napkin trying to be a tablecloth) leads to resentment on the part of those on the receiving end, and that resentment produces disaffection and poor labour relations, a situation not entirely unknown in Britain wherein a technocratic meritocracy, allied to the invention of synthetic, high-flown and quite meaningless titles, has become the false hallmark of our post-war scene.

What, one will be asked, has all this to do with executive or office health? The answer is plenty, because a psychologically sick nation is also physically paralysed and a prey to the many enemies and, worse still, the few friends who prowl about like hyenas in the comfortless shadow of vultures hopefully awaiting our dissolution. But it is still not too late for the meretricious to mend their ways, for managers to create felicitous communication with the work-force, for shop-stewards to repress senseless antagonism to the "bosses," and for petty officials to attempt to behave as though they were human-beings—even to the extent of learning English, something the other categories would also find of value.

Thus the resulting stress-diseases and the economic malaise could be alleviated and even eliminated. And a very good start, an elementary introductory course, is to practice civility on telephone-operators and even on idiots who, for no reason of their own, spoil your blissful bathing.

## EMPLOYEES ABROAD

# High costs of an expatriate

MANY BRITISH companies send someone overseas. It may be found that it would be cheaper in the long run to recruit a foreign national and bring him to the U.K. for training. Instead of seconding a British employee.

A specimen cost sheet for a two-year secondment abroad is included in the booklet. It assumes that the expatriate concerned is married with two children and that his wife and children accompany him. It also includes the cost of maintenance abroad. It estimates that a company will need to budget for such things as medical examinations, car compensation, hotel accommodation and housing costs before the employee even leaves the U.K.

Once there he will need a basic salary plus a foreign service allowance, an expatriation allowance, a transfer allowance, fares for his children back to the organisation altogether, Britain for home leave fares, a fringe benefit allowance for cars and servants, club fees and subscriptions and medical and insurance expenses. In addition to these costs the employer may also have to pay for school fees, language tuition

for the manager and his wife, medical expenses and personal accident insurance.

There are four ways of estimating the salary an expatriate is to be paid while he is abroad, the booklet says. There is what is called the local rate for the job approach, the balance sheet method, the budget method, and the split pay method. A comparison of the various methods will be given to a certain extent by financial conditions in the country to which its employee is going.

For instance, in Europe, Canada, the U.S., Australia, South Africa and other developed countries the simplest system is usually to pay the local rate for the job. The advantages of this are that it is easy and it is rarely necessary to make adjustments because of changes in the exchange rate.

The disadvantage for large companies with large numbers of employees in foreign postings is that this method implies the "abandonment of any attempt to equalise the reward for expatriates wherever they may be serving."

The balance sheet method of paying people abroad is particularly popular with American companies. Under this system expatriates are paid their normal home salaries plus allowances to cover the differences in living costs between home and abroad.

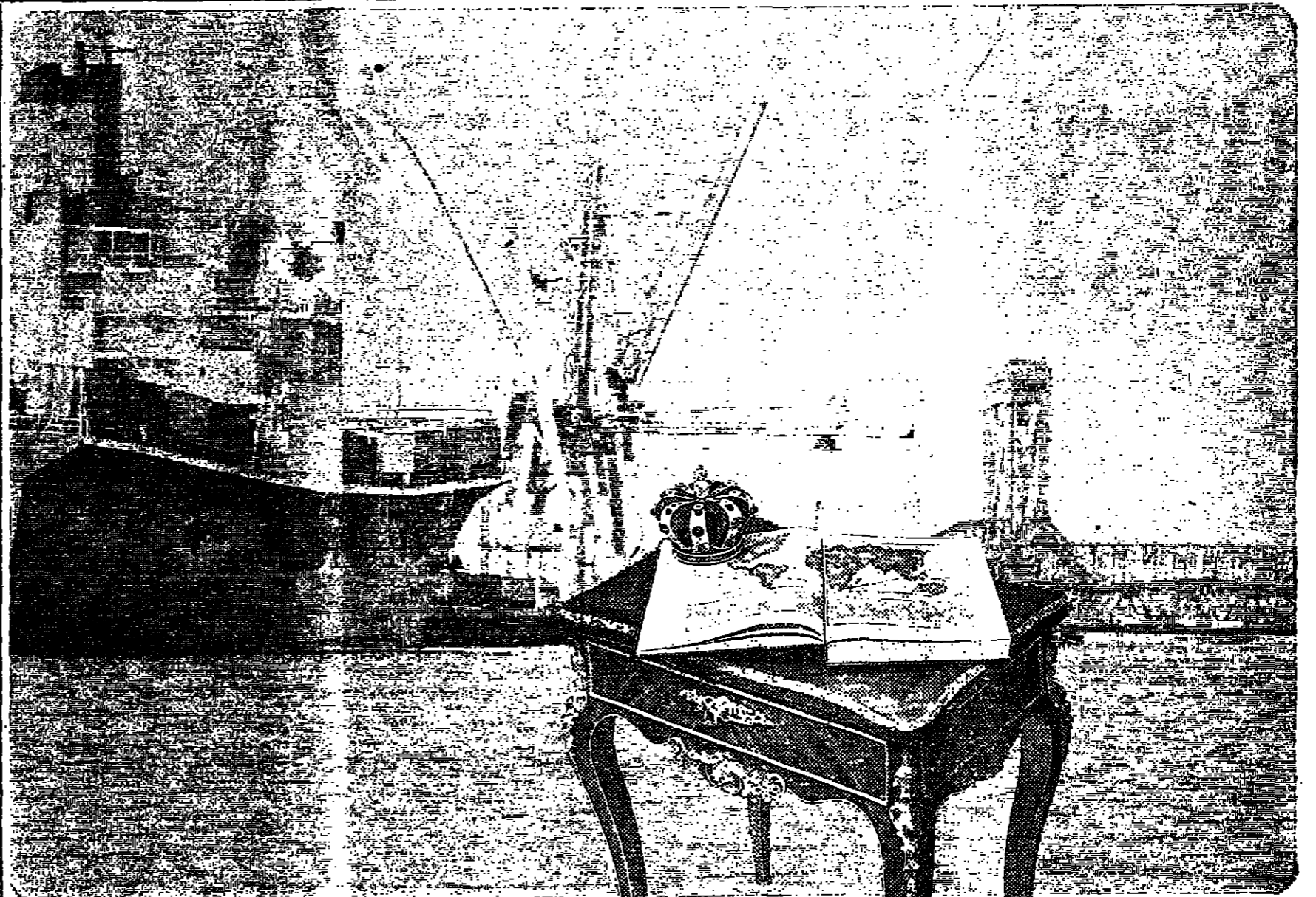
### Cost index

The booklet says that the advantage of the balance-sheet method is that it is straightforward and can be easily explained to the expatriate who will probably "accept it without qualification." But it is not recommended for British companies because of the difficulties of calculating the various differentiation allowances. Often it is hard to find reliable cost of living indexes and the payment of tax—over and above the tax an expatriate would incur at home—presents special difficulties. This is because Britain is a low-pay high-tax country and if an expatriate goes to a high-pay country he may well find that he is earning considerably less than the local going rate for the job.

The budget method of calculating pay is based on the maintenance of a budget covering the expatriate's home and overseas expenditure and a commodity price list. The booklet says that the budget method gives great flexibility because adjustments can quickly be made for any changes in the cost of living but it does involve high administrative costs for the home company.

The split pay system simply means that part of an expatriate's salary is paid into his U.K. bank account. The advantage of this is that an employee has expenses both at home and abroad and these can be met more easily if he is paid by local standards in both the U.K. and in the country to which he has been sent.

So Smith is for Export, by John Ward, Employment Conditions Abroad, Deacons House, 13, Deaconshire Street, London, W1 1FS; £5.50.



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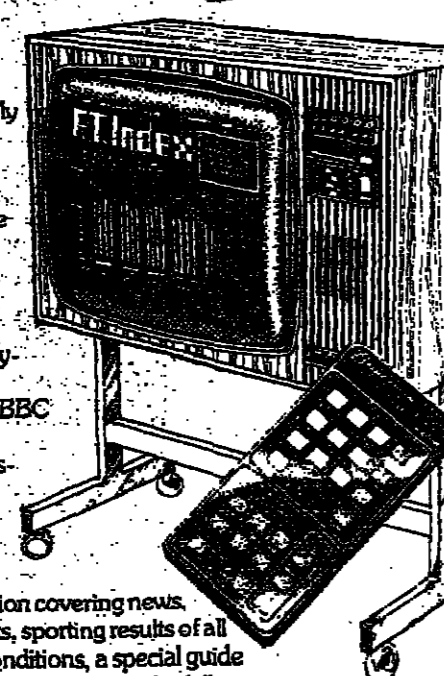


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Oil riches down Mexico way

By ALAN RIDING, Mexico Correspondent

The closing of an era

THE OFFER of foreign currency bonds to official overseas sterling holders completes the formal British side of the bargain made in Basle in January for the phasing out of the role of sterling as an international reserve currency.

THE DISCOVERY that Mexican oil resources are much greater than previously estimated is bringing a great deal of frustration to Mexicans and Americans alike for the moment.



he met President López Portillo at the White House in February. President Carter was careful to go no further than to offer what ever American help Mexico needed to develop its oil.

Spain fixes a date for elections

WITH THE fixing of June 15 as the date for general elections, the Spanish Government has now committed itself irrevocably, and in the most concrete fashion possible, to the re-introduction of democracy after an interval of four decades.

MEN AND MATTERS

Owen's Rhodesian walk-about
Apart from the frogs in the pool of Mirimar House, the residence of the former British High Commissioner in Rhodesia, the official Jaguar, brought up specially from Johannesburg for the occasion it seems that Foreign Secretary David Owen's official visit to a non-recognised government went rather well.



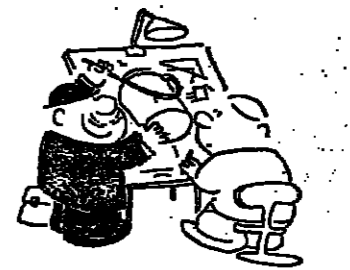
Lucky you reduced your rate. I just could not afford to live until I was 120.

Hard times on the Moor

Bryan Benwell, who as the chairman of the Dartmoor Branch of the Prison Officers Association, is leading the present strike at what must be the bleakest of Britain's many bleak prisons is sure that the economic climate is as much to blame as the weather for the inadequate living conditions which have provoked the unrest.

Excess oil

Mexico's prospects as an oil exporter are unavoidably linked to those of the U.S. as an importer. At present and for the foreseeable future, all but a symbolic trickle of Mexican oil exports are destined for the U.S.



Prime help draw the line

Finance Minister Carlos Calvo, the man behind Bolivia's return to the market, is himself a former City Bank manager in La Paz. Still in his thirties, Calvo is credited with being instrumental in getting three Arab banks to contribute to the \$15m. five to 10 year issue, and the Arabs have a reputation for being notoriously choosy about where they put their money in South America.

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# FINANCIAL TIMES SURVEY

Monday April 18 1977

# BUSINESS TRAVEL

Business travel has become a major business in its own right, taking a larger and larger slice of the travel industry's time and organisation—in return for a steady income. It shows all the signs of continuing to thrive as a benefit to both the industry and the consumer.

## Market in its own right

By Arthur Sandles

THERE WAS a time when they ignored it. Then they began to make concessions to it. Now they positively woo it. Business travel has suddenly become more than just respectable, it has become a major, desirable and growing area of the travel business.

It is worth looking back a few years to see how this one-time Cinderella of the travel world has suddenly become a very popular princess indeed. The story dates back to the days when the leisure market was expanding rapidly. Tour operating developed into a major business and travel agents were tempted into selling this relatively simple product to the disad-

so attention turned back to the business community. At first it was almost a reluctant glance, as business travel was regarded as the backbone of international transportation—the inference being that the real flesh lay elsewhere. Now the rush to attract the attention of the businessman is in full flood.

The attraction of business travel is its dependability. Over the past few years the amount of business traffic generated within the U.K. has grown by a steady 10 per cent a year, while leisure travel has fluctuated wildly. Business traffic tends to be evenly spread the year round, while leisure travel is concentrated on a few short summer months. The objection to business travel as an activity for the travel industry is that its demands are much more diverse, requiring a considerably higher quality of staff and service than is needed by the average holidaymaker. Probably the greatest achievement for the business traveller over the past few years has been to be recognised as a separate identifiable market. The businessman or woman is now welcomed not only at airports, by special lounges and car rental outlets, by discounts at hotel desks, and by travel agencies who have done away with glossy shop fronts and boast well-carpeted office suites where the staff turn up their noses if any member of the bucket-and-spade brigade should venture through the doors.

Few business travellers are naive enough to believe that all this is being done because the travel industry is in a good mood. It is our money they are after. To some extent there must be a malicious pleasure on the part of the corporate voyager to see that suddenly the travel world has woken up to his needs. It is rather nice to be operating in a buyers' market.

This recent affection for the business traveller has coincided with a developing awareness in the business itself that the various aspects of travel are not markedly different from any other purchase on the commercial scene. It pays to shop around, and to investigate the small print. In the airline business particularly, the international air community has built around itself such a web of fare structures that nimble business travel agents or managers can find all manner of loopholes through which to pass. It may still be true that someone who has to leave to-night for a two-day trip to New York will have to pay the full going fare—but even that is not necessarily true if he has any other trips in mind for the U.S. or even another continent within the next 12 months.

## Beneficial

It is a poor company that has not managed to bully itself a discount out of the nearby car rental outlet; secured beneficial treatment from hotel groups; and found itself a travel agent who is prepared to deliver tickets on Christmas morning if necessary. The well-advised business traveller to-day will enjoy the benefits of the first-class lounge and check-in at the airport while travelling on a tourist class ticket, will get priority treatment at the car rental desk while paying less than the fretful tourist sweating over the form-filling—and will be able to stroll away from his (discounted) hotel room without having to wait in a queue to settle his bill.

It would be foolish to assume, however, that all business travellers are on the look-out for discounts and cheap deals—although anyone would be well-advised to check on whether they are paying over the odds.

tendency both in the U.K. and elsewhere for the business community to trade up in its demands. This means there is a trend towards first class airline seats and de luxe hotels. There are several reasons for this. Not only does it further remove the business traveller from the frustration of going with the tourist mass who, by definition, have more time and fewer demands than the business community, but it also enables companies to compensate their executives to a small degree at least for the inconvenience of travelling.

For many years the joy of travel legend had hung around the neck of the business community. A morning at Heathrow is a great antidote to the joy of travel, and 30 or 40 mornings at Heathrow a year can put you off the whole thing for life. As a degree of compensation, companies are tending to offer their frequent travellers a few, at least, of the more pleasant aspects of going abroad or staying away from home within the U.K. It is also true, of course, that the British businessman sometimes feels hard done

by in after-tax salary terms compared with his German or American counterpart, and giving him decent accommodation, a reasonable rented car, and first class air travel, at least enables him to face such counterparts with slightly less of a blush of embarrassment.

Clearly the message is beginning to be received even within government. Budget proposals for tax relief for frequent travellers will help to make the salesman abroad at least feel wanted.

## Precise

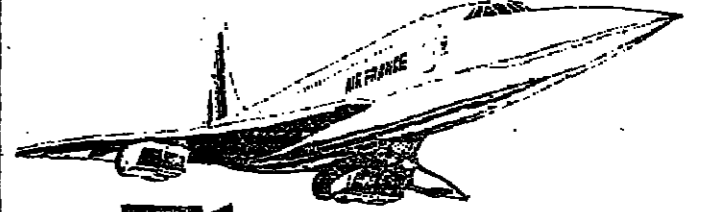
Although precise details of how the system will work have yet to be revealed—and much of it will doubtless be the subject of detailed negotiations between the Revenue and individual taxpayers—it means that businessmen will be able to get 25 per cent of their income while abroad tax-free. The conditions are that the time abroad must exceed 30 days (accumulative, not consecutive) and that the work must be concerned with the traveller's firm.

employment. This last rule has already provoked fury from the self-employed and members of partnerships, such as accountants and lawyers, who are not covered by the new rules.

For the average traveller the benefits will not be large, perhaps a couple of hundred pounds a year, but at least it is a measure of recognition.

As far as the travel industry is concerned it is a pleasant enough move. It means that there is a small additional inducement for foreign travel and that some executives may be encouraged to travel a bit more in order to move from 25 days to 31 days spent abroad. For many, however, it may only be a marginal relief from a present hidden financial burden in foreign trips. Many are the businessmen who find themselves in hot places that should be cold (Alaska a month ago was having a heatwave) and with the wrong clothing (what do you do when your business host offers an unexpected invitation to a black tie dinner). Many are faced with expenses which no taxman is going to accept without a fight.

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## How to pay your bills

GIVEN THE business arrangements that are available with the Treasury and allowing for the expansion of credit, travel and entertainment cards it is possible for the businessman to spend fairly freely when on overseas trips outside the Scheduled Territories, despite the fact that there are exchange controls for non-U.K. journeys.

Under the exchange controls, it is only possible to take £300 in foreign currency and travellers cheques together with a further £25 in sterling. Clearly this would be inadequate for the average businessman who needs to do a lot of travelling and entertaining. However, if there is a need to take extra currency or travellers cheques for business purposes, then the businessman needs only to make an application to the Treasury through his bank, by completing what is known as a Form T.

This allows the businessman to take an extra allowance of £75 per day up to a maximum of £3,000 per trip but no currency can be advanced more than a month from the date of the trip. Charges for the foreign currency vary from bank to bank, generally subject to availability. About 1 per cent, would be an average charge, much in line with that charged for Travellers cheques.

Travellers cheques are more favoured than foreign currency by the businessman since they offer more flexibility for the traveller that needs to visit more than one country at a time. What is more there is the risk factor to take into account—if cash is lost there is little chance of recovery—while there are certain countries that have a limit to just what amount of local currency can be taken into that country. These of course are few and far between but if there is doubt, any U.K. clearing bank should have a list.

It is for the same reason that travellers cheques are more acceptable than cash, flexibility, that has led to the rapid expansion of credit cards in overseas business travel. Indeed these cards have now become an established part of business travel.

## Competitors

There are basically two types of card. There is the traditional credit card such as Barclaycard and Access and the other has become known as the travel and entertainment card with two prominent names being American Express and Diners Club. The basic difference between the two forms is that with the credit card the user is given an upper spending limit, governed by his credit worthiness and income bracket while on the travel and entertainment card there is no upper limit. Moreover, on the credit card the user needs only to pay a minimum of 15 per cent of the outstanding balance each month, while the T and E cards need to be repaid in full on receipt of each monthly bill.

All of these four major credit card companies have now built up strong overseas networks that make life much easier for the businessman in his travels. Of the two U.K. companies Barclaycard has over 3m U.K. cardholders and for these it can offer about 2m outlets worldwide in over 100 countries while Access has about 1.8m outlets for the 3m or so cardholders on its books. Diners Card, which is the oldest leisure card, has some 17,500 outlets in the U.K. and 367,000 worldwide located in 152 countries, each of which has its own Diners Club. American Express has 684 offices worldwide and over 250,000 outlets.

There are no exchange regulations involved with the cards as such, although on the credit cards if there is one single item charged for more than £300, other than travel, entertainment or accommodation, then some explanation would need to be given. Several small items tend to get overlooked. Otherwise the businessman can continue spending to his limit, or in the case of the leisure cards, whenever needed.

A further development on the Barclaycard that may be particularly helpful to the businessman particularly on overseas travel is the company card. These are billed straight to the company which has advantages on overseas trips while the card will bear the name of the holder rather than the company. These cards will cost £3 each and a charge of 15p will be levied each time they are used. The total amount will be claimed by direct debit which means that with the monthly billing the company will get an average of 15 days free credit.

While there is no doubt of the success of these cards there will always be the problem of when and how the overseas bill is translated into sterling on the monthly account. Indeed there has been a certain amount of criticism of late on the methods of conversion adopted by the various companies. But to be fair this seems mainly to stem from the actual time limit when they appear on the monthly bill, bearing in mind that sterling has been a rather weak performer over the past few years.

Barclaycard has a form of arrangement with a bank in each of the main areas in which it operates. The merchant who received the voucher would take it to his appointed bank and at that time it would be converted into sterling at the current rate. Clearly the only delay in conversion would be on the part of the merchant. What is more, the actual timing of when this overseas bill was due for repayment in the U.K. would be at least four or five weeks, so the user would have a fair amount of free credit.

Access makes the conversion when the bill is processed at its Southend headquarters so here there is bound to be a slightly

There is an increasing

Access makes the conversion when the bill is processed at its Southend headquarters so here there is bound to be a slightly

Access makes the conversion when the bill is processed at its Southend headquarters so here there is bound to be a slightly



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CONTINUED ON NEXT PAGE



BUSINESS TRAVEL II

# Railways get the message

LAST YEAR, British Rail ran an advertising campaign based on a piece of medical research which showed comparative stress levels on 24 businessmen travelling between Leeds and London, first by car and then by Inter-City express train. The results, as you would expect, showed a much more placid heart-beat graph for the rail journey.

Part of the appeal of the campaign was certainly the morose British fascination with coronary affairs, but it was also one of the more interesting examples of a gathering determination among the railway operators of the developed world to sell the idea of rail travel to businessmen on the basis of product quality rather than cheapness.

All the signs are that we can expect a much more vigorous marketing operation by railways towards the business community as the operators finally shake off the inferiority complex into which they have been thrust by the dramatic post-war boom in short-haul aviation.

The starting point for the rail industry in this attempt to re-think its position in the business travel world has necessarily been acceptance that it cannot compete for speed on longer journeys and especially those involving sea crossings, although even here the popularity of the London-Dusseldorf service using British Inter-City British Rail Sealink's overnight Harwich-Hook of Holland ferry and the early morning Rhinegold of German Federal Railways, shows that on the right routes, with the right timings, a portion of the market is available. This journey can be accomplished leaving London at 8 p.m. and arriving Dusseldorf at 10.21 a.m. the following morning.

But the major realisation has been that railways can offer services that are certainly not available to the car traveller and which are not so well supplied even by the airlines. In a modern, air-conditioned express rail coach, the amount of working space available to the travelling businessman is unsurpassed on any of the other modes. Also, unlike the airlines, railways serve the hearts of cities.

Even so, it is easier to list the difficulties of the railways than their advantages. The most serious of the problems is the fact that most of the world's railways, with the exception of some in the developing world and Japan's high-speed Tokaido line, have had to build new services on an infrastructure which was designed and laid down in the 19th and early 20th centuries. It has required major efforts of will to re-focus on customer needs in this context and, of course it has taken vast

amounts of Government cash. The world's railways, with very few exceptions, stubbornly refuse to make money because they have to meet social as well as commercial obligations.

But in the field of business travel, the railways have no social imperatives to observe. This has both exposed their weaknesses in failing to adapt to markets and at the same time opened up a challenge to which they are beginning to respond. Behind all the responses has been a major effort to cut journey times using, mainly, electrified locomotives, but in other respects there have been important differences of approach.

Britain's Inter-City network is the part of its operation of interest to the long-distance business traveller, but British Rail has taken a basic policy decision that it will not invest in first-class only trains, like the crack trains run jointly by the European mainland railways, under the Trans European Express banner.

## Frequency

British Rail has also invested in frequency and operates the busiest service for a country of comparable size in any of the world. Its basic measure is half-hourly trains for main short routes (such as London-Birmingham), hourly for middle-distance (London-Manchester) and two-hourly for long-distance (London-Newcastle). It also has the 125 mph diesel trains now in service on the London-Bristol-South Wales run, which has decided to apply the high-speed principle across all its routes, average speeds are rising more quickly than elsewhere on the Continent.

British Rail's approach to capturing the first-class traveller can be summarised by listing its priorities on Inter-City. They read: speed, followed by frequency, comfort, catering, centre to centre travel and ancillary services. The railway believes its approach has been justified by the results of its introduction of the 125 mph trains last autumn, which have increased traffic by 14 per cent, and, most significantly, have meant that on many week-day mornings all first class accommodation (20 per cent of the total) is taken. This, for British Rail, is the first sign of an end to the depressing trend which since 1974 has seen first class carryings drop by 13 per cent.

So what the British businessman can expect of a rail journey, at its best, is speed as fast as any other railway in Europe, unusually high frequency, reasonable standards of comfort (about

half of coaches are air conditioned) and a few basic ancillary services, such as meals and a sleeper with self-drive car hire at main stations. This is all very well, but it is not enough to satisfy those who prefer the approach to business travel embodied in the Trans-European express and the inter-city expresses of countries like France, Germany and Switzerland.

A recent correspondent of the Financial Times summed up the matter well. Signing himself "Trans-European train travel enthusiast," he wanted to know when British Rail would see its way to providing "proper, comprehensive business facilities" on long-distance trains. Among the ideas he had in mind were: writing bureau compartments, telephones, photocopiers, post box, typewriters for hire and a variety of vending machines dispensing stamps, stationery and change.

No European train actually offers all these services, but two-thirds of German Inter-City trains (they were actually named Inter-City, in emulation of British Rail) carry a secretary, with a bilingual secretary who, for DM5 for 15 minutes, will take a letter or make an arrangement by radio telephone. On these trains, a passenger can also receive telephone calls from almost anywhere in the world.

On German Inter-City there are only a few second class seats and on Trans-European there are none. Passengers also pay a fairly substantial supplement too, which makes fares generally no cheaper than off-peak air prices, but one of the most important lessons the railways have learned in recent years is that business travel is relatively price inelastic.

Other ideas for improving comfort or adding to luxury on these crack trains include shops and even, on the famous Paris-Nice Mistrale, a hairdresser. Some U.S. trains even have film shows and arm chair accommodation, although it has yet to be demonstrated that either of these facilities is an essential part of the travelling executive's equipment.

Whether or not what British Rail regards as ancillaries are a truly important part of attracting businessmen to rail is open to question, but what is beyond dispute is the importance of packaging and promoting any form of travel in such a competitive field.

Railways have fallen badly behind here, although there are signs that they are wakening up to the need to improve selling points, publicity and grass roots contact with their customers. Amtrak, the U.S. rail-

way conglomerate, has field in package ticket include food, seat rest sleeper or couchette as services. French railways, will even add a car into the cost of ticket.

German Railways has recently launched a train whereby a company or several annual tickets for the whole network for use by employees at a charge of cent, above a normal season ticket. Likewise any can buy an account 25,000 or kilometres of travel to among its staff, also count rate. Most of the also offer some "network" pass, designed for tourists, but often the businessman with travelling schedule limited number of days

## Attractive

There is also these greater-willingness to other transport modes. the Europabus, the air even, in a new British international package, private car. This idea, this month under the "Drive" label, offers to Ireland and Euro, which include hotel. Sealink ferry crossing wide choice of itineraries are particularly attractive if two people are travelling together, when U.K.-D.U. with two night hotel would cost £72.25 per person including car passage prices, but one of the most important lessons the railways have learned in recent years is that business travel is relatively price inelastic.

There is no doubt that railway companies to more of this kind of their objectives become. and confidence grows. Some U.S. trains even have two years have not been encouraging for any it cooperating, although in where the Amtrak reaction has meant a massive of new stock and new especially in the North carryings leapt up by cent last year.

In the absence of publicised packages, the agent remains the best of information for the wanting to plan a schedule, although in enterprising, the monthly cation, Thomas Cook's national Timetable, has tentative range of info about railways through

Ian Hargreaves



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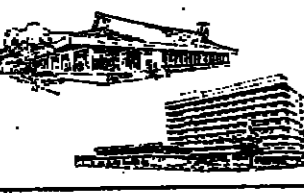
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## Bills

CONTINUED FROM PREVIOUS PAGE

longer delay before the bill is translated into sterling. Naturally if the pound is falling on the foreign exchange markets then the bill would eventually cost more than when it was incurred. But the other side of the argument is that if the pound is firm then some saving would be made.

## Overseas

Like Access, Diners Club does not make the conversion until the bill is processed in London, and then at the rate prevailing at that time. The merchants or proprietors are paid on a fortnightly cycle and again, depending on how quickly they put the user through the delay in the user being billed would mean a minimum of six weeks and sometimes as much as three months before any payment needs to be made. Moreover the Diners would not make any charge to the cardholder for these overseas transactions if the bill is paid on time in the normal way.

Similarly, American Express carries out the conversion when the voucher arrives at its Burgess Hill office, but unlike Diners it charges an extra 1 per cent on these overseas bills. The explanation here is that the extra charge makes up for the fact that unlike the credit cards it does not receive automatic interest charges on any extension of its monthly bills.

These slight anomalies apart, there can be few complaints and even while there is some overlap in terms of outlets offered, it does not appear to have checked their respective rates of growth. The expansion of both the U.K. bank cards were, however, bolstered by international links with other banks. Nevertheless, despite several dual outlets more than one card is now often held giving an even greater spread of usage and that in turn relieves the Diners of one of his main problems, the movement of these overseas transactions if money.

David Wright

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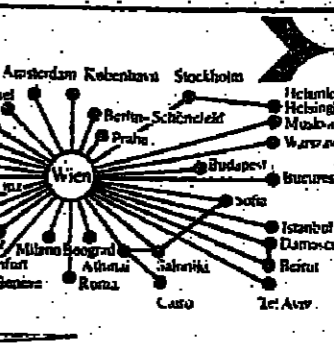
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# New generation of hotels

...to some extent all that a business requires from an hotel... it should have the right... in the right place at the right... Unfortunately that is not...  
 ...does, however, explain the... over the years of those... which have determined... at meeting such demands... traditional pattern of major... hostings proud indepen... properties, catering to the... visitor was disrupted by... development of inter... air travel and the inter... hotels that came... There are those... and the proliferation of... Sheraton, Hiltons... Continental, etc., which... these chains are simply... the spread of the Trust... network which sprang up... with the need of a new... of motorists and

## The time to relax

There is also the... their transport mode... the European, the... ven, in a new British... international package... private car. This... his month under a... Drive" label, often... to Ireland and... which include the... Sealink ferry cross... the wide choice of... rates are particularly... in two people are... the middle of a busy... when U.K. tax... with two night bus... would cost £72.25 per... unless friends or bus... associates are... to help... provides some... ideas in water... Yet with very... include the hire... and some... the picnic conference... enormous attractions... the world's chess... can provide entertain... couple of days...  
 It is clear however, that... tourist centres in... countries do to encourage... businessmen in particular... rather than just as a... to make the use of their... spare time. Nevertheless, compared to cost of inter... national trip, a short excursion to the countryside or the coast can be very little and hotel accommodation can often be covered by company expenses.  
 London for example, while offering an enormous range of entertainment, may not be the ideal place for a restful week-end. The obvious answer for a rest is the English country - or a university town. The hotels can still be found with pleasant gardens, quietness and a calm atmosphere.  
 Of and Cambridge are both a couple of hours from London, the... of much improved... in recent years and... quiet pubs offering a... alternative. Anyone... military interested in... nature cannot fail to be... by a walk round... and in the summer atmosphere is unique.  
 If those who prefer the... there are dozens... small hotels in the Cotswolds... an hour from Oxford... train, where there may not... much to do beside walking... getting the lungs full of... air, but the landscapes... are worth the visit.  
 London is particularly well... for this kind of activity... the Victorian splendour... Brighton and the... within... reach and the architectural... of Bath a little further... however, during the summer in... particular, week-end visits of... nature do require planning... to ensure a hotel book... British tourist offices in... foreign capitals are prob... the best guide for the new... although there is noth... better than a personal... recommendation to visit some... away hotel or pub.  
 New York, a city which has... lights, is nevertheless one... that may be worth leaving for... and it has the great... of being within easy... of Long Island. For any... who likes sea food and... Long Island has much... to commend it. The improved... service from New York City... a quick and comfortable... to the nearer parts of... Island.  
 Long Island, with its... is hardly the place for a... time, but for an eye... the native New Yorker enjoy... the simple pleasures of life... as no equal. Similarly Long... with its weather-beaten... houses, is a busy place... the weather is good, but... points further towards the... of the island at Montauk... to become less crowded... a great deal more expen... and exclusive... during the summer months... the the Hampton and

...Attractive  
 There is also the... their transport mode... the European, the... ven, in a new British... international package... private car. This... his month under a... Drive" label, often... to Ireland and... which include the... Sealink ferry cross... the wide choice of... rates are particularly... in two people are... the middle of a busy... when U.K. tax... with two night bus... would cost £72.25 per... unless friends or bus... associates are... to help... provides some... ideas in water... Yet with very... include the hire... and some... the picnic conference... enormous attractions... the world's chess... can provide entertain... couple of days...  
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 If those who prefer the... there are dozens... small hotels in the Cotswolds... an hour from Oxford... train, where there may not... much to do beside walking... getting the lungs full of... air, but the landscapes... are worth the visit.  
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...that every Hilton has a prestige... restaurant; every Holiday Inn... gives you two king-sized beds... and every Post House gives... quality at a reasonable price. It... could perhaps be suggested that... in their promotion the hotel... groups do not in fact pay... enough attention to giving... details of the rooms themselves... rather than making esoteric... claims about service and ambience. A fairly high proportion... of business travellers do not... spend their evenings downing... fine wines alone in a chan... deliered restaurant or whoop... ing it up in the discotheque... Instead they are in their rooms... reading or watching TV.  
 The number of rooms a... hotel has may be its own... proud boast, but it is the size... of those rooms and their facilities which are of greater... interest to the consumer.  
 Before the angry letters start... to pour in from Messrs. Savoy... Inter-Continental and Trust... Houses Forte it should, of... course, be said that most busi... ness travellers expect their... hotel to be able to host it... when necessary and have a repu... tation for being able to put on... a small cocktail party, arrange... an instant conference, or cook... something special for dinner.  
 Hotels are increasingly turning... their attention to these needs

...of this market. If you intend... doing a considerable amount of... such entertaining it is worth... considering what the cost is... going to be. Low room rates... may seem less of a bargain... when combined with high... priced room services and... banqueting bills.  
**Discounts**  
 Getting hotel discounts is a... rather more complicated busi... ness than finding a good rate... from a car hire company. It is... extremely difficult, for exam... ple, to get a universal discount... on your custom in hotels owned... by the American chains. You... might have better luck with... British domestic groups but... again it is not easy. Normally... the groups will want evidence... of substantial spending before... they are prepared to play. On... the other hand some remark... ably favourable deals can be... worked out with managers on... an individual basis, both in... independent operations and in... group-operated properties.  
 The reasons for this apparent... contradiction are not hard to... find. An international hotel... group inevitably has properties... in areas where rooms are at a... premium even for the best of... customers (the Middle East... and service. The man who lades

...out the liquor in the evening... with the cry: "don't worry, old... boy, it's all going on my bill,"... is likely to blanch the next... morning when he discovers... exactly what the total is. If you... are having six or more people... to drinks and dinner in your... room it is well worth a discus... sion with the management... before you pick up the phone... and call room service.  
 The traveller who is on a... regular circuit is fortunately... immune from all problems—or... should be. They are the fortun... ate ones who know a city... well enough to have discovered... the hotel which gives the best... service for them. Some com... panies maintain lists of hotels... which have been recommended... by members of the staff, and... others use hotel representatives... or booking agencies who know... their tastes and also know the... hotels. The fact that we all have... different ideas about what is a... good hotel and what is not, that... hotels change management and... staff with some frequency these... days, and that the best of hotel... operations can be overwhelmed... by a trade fair or political... convention, makes for occasional... failure in the most efficient of... hotel selection systems. It all... adds to the pleasures of travel... ing—or does it?  
**Arthur Sandles**

...notably) and therefore to give... a chain-wide discount would be... very bad business in these... areas. At the same time out... siders often do not realise... the power of hotel general... managers to offer their own... rates, and to ignore the pres... sure from head office to give... discounts to someone they do... not see as useful in the long... term.  
 The nearest you are likely to... get system-wide to a discount is... via membership of the various... special businessmen's clubs... operated by the larger groups.  
 This normally involves a com... pany undertaking to use a... given number of hotel nights a... year—Hilton is probably the... highest with 1,200—and in... return being given guaranteed... rates for a year ahead. In... some hotels these are disc... counted rates, and in some they... are not. In all cases, however... the business card holder will... get special attention. Hilton... reckons that some companies... join just to be a little more... certain of room in the Middle... East.  
 Some hotels have a nasty... habit of charging room service... rates for banqueting occasions... and you should find out in... advance exactly what everything... is going to cost, including taxes... and service. The man who lades



### The man who can speak the language wins the business.

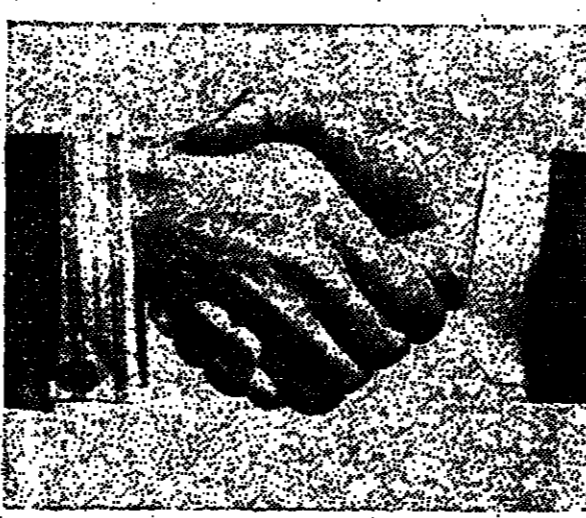
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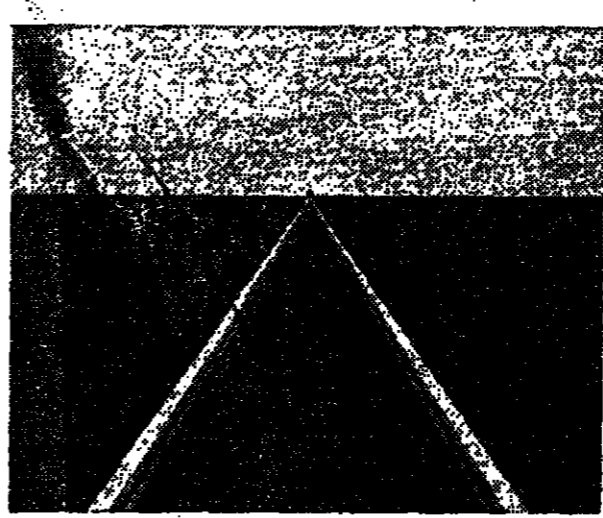
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 Position \_\_\_\_\_  
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 The portable language course in a briefcase.

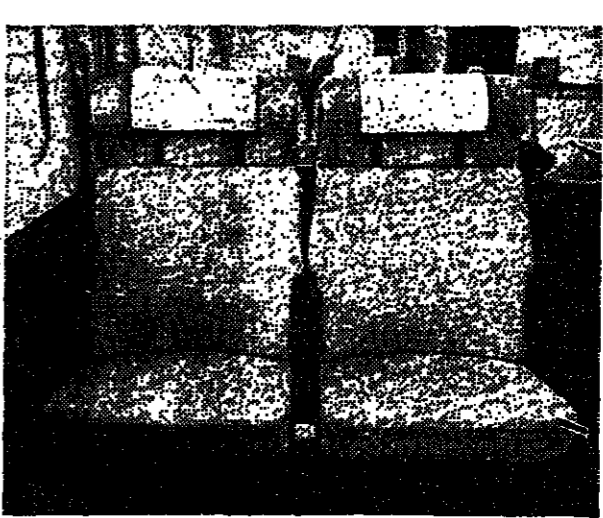
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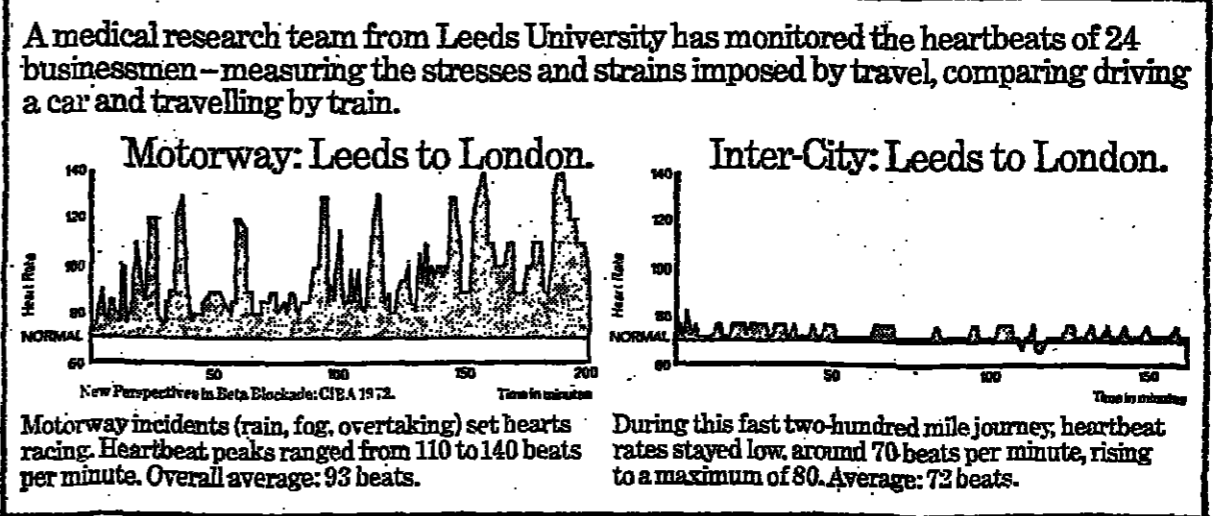
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HOTEL AMBI

LUSAKA, ZAMBIA

APRIL 1, 1978

HOTEL MANAGER





BUSINESS TRAVEL IV

# Government takes a greater interest

IN RESPONSE to increasingly high costs incurred by businessmen on export activities, the British Government is continually looking for new ways of assisting companies which are seeking new business abroad.

The services offered, mostly through the British Overseas Trade Board, are generally regarded as as good or better than those of other countries.

The assistance takes a number of forms, both financial and material covering both outward and inward missions, and trade fairs. While abroad, businessmen are also offered considerable help from embassies and other posts. In effect a potential exporter is offered a number of optional schemes by the BOTB, but in most cases the company concerned must act through its trade association, or perhaps through a chamber of commerce, in setting up the visit.

The most directly available form of aid is probably the Board's Outward Mission Scheme which aims at increasing exports by encouraging British businessmen to visit overseas markets either in order to explore and assess the prospects for their goods or services or to reinforce their overseas marketing effort.

However, the BOTB lays down a number of conditions which must be met before any aid will be granted. Basically the scheme applies to missions covering products or services which have promise in the market, or to planned promotions which are selected for official support.

Normally the minimum number of members of a mission qualifying for support will be six and the maximum 20. For some countries, however, a viable group should not consist of more than 15 participants. Sponsoring bodies are also required to accept that companies which do not belong to their organisations can qualify as participants.

The amount of time spent abroad and the itinerary of the party is negotiable with the sponsor and a proportion of costs are refunded after the

visit by each approved participant. These refunds are made on a flat rate for each country ranging, for example, from £75 for countries such as Algeria, Hungary and Morocco, to £500 for Australia and New Zealand.

The scale of assistance clearly relates to the distance from the U.K., with a sum of £175 allowed for the eastern part of the United States and £225 for areas west of a line through Minneapolis, Kansas City, New Orleans and Miami. Most European countries, however, are not included in the scheme.

Mission sponsors are also expected to ensure that journeys are made by British carriers wherever possible and that claims are made through the sponsors. Missions covering more than one country normally attract the contribution for the farthest point in the journey. For example, a trip to Australia and New Zealand would attract a contribution of £550.

and technological experts. As with outward mission aid, certain criteria such as the prospective commercial benefit will determine whether or not support will be given.

Each company taking part in a seminar or symposium under the scheme pays a participation fee of £100, and the BOTB covers the cost of a major part of the meeting. This includes hire of the premises required, and a great part of the supporting needs such as translation and reproduction, publicity and so on. Outside Western Europe travel support is available at the rate applicable to the outward mission scheme for up to two representatives from each company.

Trade fairs are regarded as an increasingly important focal point for export activities, particularly in Eastern European and Far Eastern countries, and the BOTB accordingly offers a range of support encouraging British participation.

It is also prepared to reimburse, on sight of a travel agent's invoice or receipt or cleared cheque or air ticket counterfoils, up to 50 per cent of expenditure on travel, within a maximum of half the appropriate return tourist air fare for (1) two representatives from the sponsoring body organising a joint venture, each of whom stand for the duration of the event and (2) two representatives of each company participating in a joint venture outside Western Europe, each of whom stand for the duration of the event. Here the role of the sponsoring organisation is even more important, particularly in the organisation of participating companies.

Finally the BOTB offers is willing to consider financial assistance under and from any source for a inward mission scheme for mission and consultants companies wishing to bring its overseas visitors to overseas businessmen to determine the sponsor or others who can influence type and timing of the exports. Here it is stressed that the country of the visitors must undertake a program of visits and get full value from a joint venture. It is regarded as essential that their interests must be planned and not be rushed. But all British companies in the industry concerned are eligible for consideration as participants whether or not they belong to one relevant trade organisation.

## Limited

Assistance under the scheme is also limited by availability only if the industry is prepared to pay a share of the costs. The extent of assistance given is currently as follows: 50 per cent of the cost of the direct economy class return fare for mission members coming from Western Europe and 75 per cent from elsewhere; 50 per cent of travel costs in Britain for the purpose of the visiting programme; 50 per cent of fees for essential interpreting; a contribution towards hotel accommodation based on 50 per cent of the national costs. However, the balance of all costs is met by host companies. The BOTB points out that it

## Effective

The material assistance available is that which commercial officers at posts can provide in information, contacts with local businessmen, interpreters (for limited periods) and similar practical but essential requirements in foreign countries.

While Britain's commercial representation abroad is regarded as very effective in most areas, it is obviously better in some than others, depending to a great extent on the U.K.'s historical ties with the country concerned.

Two other important types of assistance offered by the BOTB cover overseas seminars and symposia and trade fairs. The purpose of the former scheme is to encourage British sponsors to stage overseas seminars designed to promote sales abroad of British products and technology.

To qualify for support, events must bring specific United Kingdom products, processes and services to the attention of equally specific buyers, users

and the itinerary of the party is negotiable with the sponsor and a proportion of costs are refunded after the

Although there have been some complaints of scale assistance of the BOTB is not fully available and that they make use of the channel of the national costs. All of the above are not fully available and that they make use of the channel of the national costs. All of the above are not fully available and that they make use of the channel of the national costs.

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# Sizing up the cheap package

IT WAS while dredging through the files of material about low cost business travel, looking for examples of the way in which this aspect of the market has exploded of late, that I realised that the greatest example was spread before me. Travel writing files are a pretty good guide to trends—not the content of those files, but simply their thickness. Five years ago the "cheap trips for businessmen" file did not exist. The number of such journeys available was limited, and sporadic in operation. Few people promoted them with much enthusiasm.

Now the "business travel" file is fattening daily, and it is the package tour and special services aspect of it which is providing much of this fat. Another development has been the absolute deluge of guides to low cost fares for the business community. The Thomas Cook Air Fare Savings Guide, with its telephone style discs that allows you to dial your destination and find the various fares, has added its orange covered bulk to the Hogg Robinson Synopsis of Business Travel Cost Savers; the Wakefield Fortune Plain Men's Guide to Air Fares; the Business Traveller magazine's guide to inclusive tours and fares to the world's business centres; and Barry Martin's notice board size guide to cheap travel in Eastern Europe. Lunn Poly has actually taken the plunge into the weekend colour supplements with advertisements tempting the business community and is following up inquiries with a glossy Fare Deal brochure. British Caledonian already has a special business glossy and American Express uses the multi-coloured approach to boost its incentive tours.

forget time changes in the spring and make you miss your flight; book you to Santiago instead of San Diego; or not notice that the Hotel Splendide closed last week and send you anyway.

But business travel agency work is much more sophisticated than that might suggest. Mr. Alan Beaver, that youthful mentor to travel agency technicians, recently wrote in the excellent new magazine Business Traveller that there were six check points for anyone making an airline booking to see if it can be done cheaper. Since the savings can run into hundreds of pounds on a single flight it was not an idle exercise. Mr. Beaver's check list includes looking at group fares, not only for the whole trip but also any section of it (a traveller going to the U.S. and Japan might be able to pick up a cheap fare out of Los Angeles). It also men-

tions the strange world of making reservations to places that will never be visited to take advantage of the "open jaw" LATA rules. The final rule is the strong suggestion that any agent or travel manager that does not make these checks as routine on any booking should be replaced.

The specialist travel houses grew up partly thanks to their ability to follow those rules, but probably more thanks to their ability to do so quickly and to offer ancillary services. Business travel houses now do a great deal more than ticketing and hotel booking. A good organisation will be able to offer courier services, special attention at airports, and pre-booking at group fares, not only for the whole trip but also any section of it (a traveller going to the U.S. and Japan might be able to pick up a cheap fare out of Los Angeles). It also men-

CONTINUED ON NEXT PAGE

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	GF246	1910	2115										
WED	GF122	2045											
	GF208	1000			2200								
THUR	GF244	1910	2115										
	GF022	1835			2125		0545			0600		0630	
FRI	GF018	1000											
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SAT	GF006	1000											
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**Gap**

The gap between the average travel agent and the one that offers some form of specialist knowledge and attention as far as business travel is concerned has widened considerably lately. That is not to say that size is necessarily an indication of expertise. If you find a good travel agent, whether that person is the owner of a family business or a clerk in a giant chain, stick to them. They will save you thousands of pounds and lots of inconvenience in the long run. A slipshod agent can

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# Careful planning can cut costs

There are times when it seems that some companies spend more on travel than they should. In some cases, they do not believe that any savings can be made. Many travel organisations are finding, however, that a careful travel manager, often working in tandem with a business travel house, can actually reduce the amount of travel done by a company while reducing the total cost. This discovery has elevated the position of company travel manager considerably in recent years.

The skilled travel manager will not only know his timetable and IATA rule-book (the International Air Transport Association is the controlling body for air fares) but will also know his own company sufficiently well to be able to "manage" trips in a way that even the most helpful travel agent would find difficult. Knowing, for example, that a small team of salesmen were going to an exhibition in Geneva, he might be aware of other trips planned to the area which could be arranged for the same time—thus making up a group which could get beneficial transport and hotel rates.

deduced by the travel manager need only be slight to compensate for his employment. What is often ignored by companies doing the calculations is the amount of time that individual members of staff spend on planning their own trips. A travel manager would not normally replace the travel agent. Few companies have sufficient business to justify an in-house travel agency. They rapidly find that the commission received requires a massive input of business. Anyway IATA regulations forbid the payment of commission to agents other than those which have been officially appointed, and these agencies have to maintain a certain minimum airline ticket turnover. The only way round this is to buy an IATA agency—an expensive way round the difficulty.

It is not an easy problem to tackle. Intrusion into what has long been regarded as a right can cause managerial offence. If the sales manager suddenly finds that all his travel plans have to be vetted by Ms. Henderson who will tell him whether or not they could be done more effectively and inexpensively there is a danger that he might calm the poor fellow down when she says that the cheaper fare is only available if he is prepared to stay Saturday night as well as Paris and Rhodesia. It is a little odd, sometimes, deeper to stay longer, such as the peculiarities of the travel world.

Part of the argument is that a travel manager not only keeps costs down, but he or she should be able to increase the amount of travel done if the budget stays the same. The argument against employing a travel manager is that this is only another additional cost which could be saved by using a good travel agent.

This is clearly true in the case of very many operations. But in others the savings pro-

deal more than the travel of oil company executives. A travel manager works in co-operation with the travel agent in order that company policy may be imposed upon what otherwise may be an anarchic travel activity within the organisation. That same manager might also be able to monitor the performance of a travel agency much more than would be possible where travel decisions were diffused through out the organisation. Travel business that it would seem difficult to organise in a company of any size without effective central control.

Fortunately the resources available to the travel manager are expanding each day. Armed with the various ABC guides (World Airways, Shipping, Air/Rail Europe and the domestic rail guide as well as that of BP may have had considerable success with its ownership of Rankin Kuhn, but that organisation handles a great

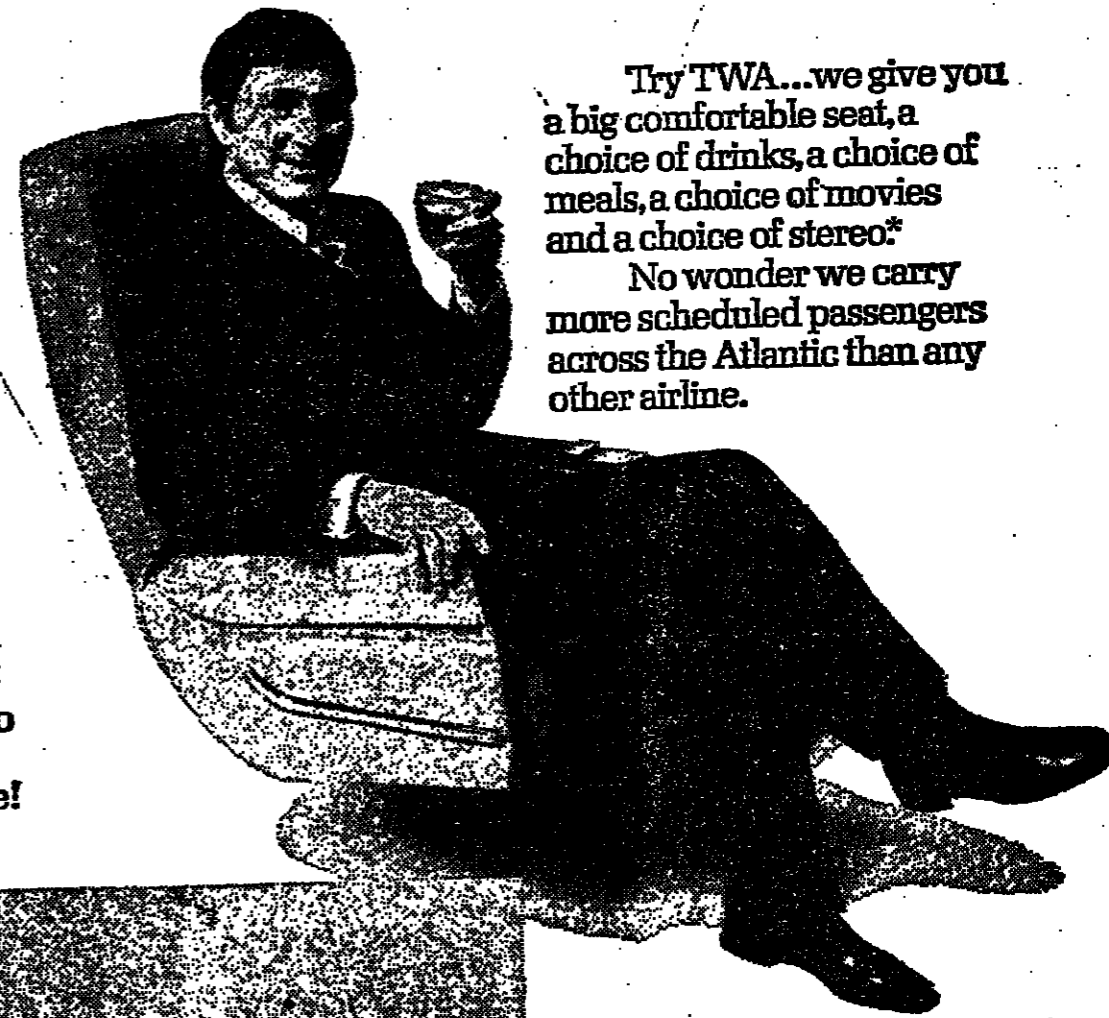
the Thomas Cook Continental Timetable, which now gives rail services for rather more distant places than Europe, a subscription to a variety of trade magazines and newspapers, and perhaps even the Financial Times international hotel guide, the most modest business travel manager would be at a considerable advantage over the majority of secretaries in ensuring that the traveller was getting a reasonable deal and taking the best route.

What is really the travel manager's asset, however, is a constant soaking in the business. After a few years of involvement a good travel manager develops a sixth sense about what is the right thing to do. When a company reaches a position that its travel manager and its travel agency are in competition for finding the best and least expensive way of arranging a trip it should consider itself fortunate.

A.S.

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## Remarkable

The savings can be remarkable. One company recently claimed it had saved \$1,000 simply by collecting all its air tickets for a year and checking that the airlines had charged the right amount. The \$1,000 was the total of refunds that had been received.

One of the difficulties for companies is that most of them are not psychologically attuned

## Package

CONTINUED FROM PREVIOUS PAGE

than 10 per cent., and in the case of scheduled airlines tickets somewhat less. A business travel account which only books one day car rentals, and makes the occasional one-night reservation in domestic motels is likely to be a low maker. A client who mixes this sort of business with long haul, long stay, first-class bookings to the Far East is, however, well worth spending some time on.

The major bugbear for the business house agency is a client who is constantly changing his plans. Although dealing with this is in theory all part of the game, in fact it is expensive to the agent in time and can be expensive to the customer in that he who books late and changes schedules often is the one who is going to pay the most. There is the basic rule in travel, the more flexibility you demand, the more it is going to cost you.

## Removed

Many agencies are now steering their clients towards packages where flexibility is largely removed, and finding them very popular. Originally these tours were designed to centre around some special event, and this is still the largest section of the market.

A package tour in a business sense is not quite the same as those which leave daily for Mallorca from Luton and Gatwick. Business packages rarely use charters, but instead rely on the agents' ability to find enough clients eager to visit, say, the Copenhagen furniture

show of the Hong Kong Ready to Wear exhibition.

It is possible to book on a business package and be scarcely aware of the fact that you are travelling under such an arrangement. The only thing you have to do normally is make sure you catch the arranged flights.

It is important, however, to remember that in most cases the loss of flexibility is total. Although it may be possible occasionally to extend a stay by a few days should the need arise, normally this is impossible. Thus if the traveller suddenly finds that by staying for an extra couple of nights he is likely to sign up a deal worth several millions of pounds he has also to remember that his package tour return ticket is likely to become useless and he will therefore have to buy a normal fare single ticket home. Fine if the deal is signed, not so nice if it falls through.

If there is a possibility of extra time being needed this ought to be explained to the agent who will outline the financial implications. Occasionally you may find that the tour has been based on some other type of fare which allows a measure of mind changing. For the traveller it is all a matter of working out whether the loss of the ability to stay on for a few days or to cut short a visit is balanced by the fact that the cost is considerably reduced.

Comprehensive lists of these tours are published from time to time and any local travel agent should be aware of them, even if he is not arranging them himself.

Another aspect of business travel services which has grown considerably over the years is incentive travel, although that growth has tended to be faster in Europe and the U.S. than in Britain. Incentive travel is a system which offers participation in foreign conferences, or normal holidays in the sunspots, as a reward for work performance beyond the norm. There is a growing awareness in British industry of the effectiveness of such schemes. Many of the larger tour operators now have incentive travel divisions which are able to advise companies on the way in which such schemes are operated—and particularly on the way in which they can be run without incurring the wrath of the taxman.

Incentive travel is regarded by many as one of the travel industry's brighter prospects for the future. It is another sign of the way in which the once despised business travel market is beginning to be loved.

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Although there have been some complaints, it is felt by the BOTD that the range of available and that the ability to change through their relations to find out the

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BUSINESS TRAVEL VI

Airlines fight harder

THROUGHOUT the world the scheduled airlines are wooing the business traveller more ardently than ever before, for a variety of reasons.

Primarily, of course, they want him because he is customarily the one type of passenger who tends to pay the higher levels of fare—first-class or more usually the full economy-class rate—despite the fact that there is an increasing trend among many business travellers to try and save money by buying the cheaper and briefer "package holiday" trips and using them for business rather than leisure reasons, or both.

But the business traveller is also valuable because around him and his needs the airlines are able to construct a large periphery of other activities all of which also help to boost their revenues—office facilities, car hire and hotel rooms are the most obvious. The business traveller is also useful because he tends to be a more discriminating traveller than his leisure-seeking fellow-voyagers. It is very often his needs—and his complaints—that in the past set the standards of comfort and convenience that many airlines like to boast about.

This may not now be such a prevalent factor in determining airline attitudes to their passengers. The recent growth of the cheap-fare leisure traffic has certainly forced some airlines to think more in terms of

meeting mass travel demands than cossetting the higher-fare business fliers, a fact which many businessmen have not been slow to appreciate and criticise. That change in airline attitudes itself has in turn obliged many of the more discriminating business travellers to shop around and to dispense their favours on those airlines who tend to offer them the best value for money.

The result is that the airlines in turn are having to fight harder for such business traffic as they can get. The airlines' own room for manoeuvre, however, is limited. If, as is most likely, they are members of the International Air Transport Association, the standards of meals and the provision of alcohol aboard their aircraft are strictly laid down by that organisation.

The fare should also be fixed, and although it is a fact that "discounting"—or fares-cutting—is still prevalent in some parts of the world, strenuous efforts have been and still are being made in the U.K. and Europe to eliminate it. Nonetheless, cut-price air tickets are still available, but are not likely to be of much interest to the businessman because they are often for flights at times inconvenient to him and which do not give him the operational flexibility that a fully-paid ticket on a regularly-scheduled airline can provide.

specially loud when businessmen found themselves sitting in seats next to holiday-makers getting the same ride and in-flight service for a substantially lower fare. This has been met to some extent by creating a special cabin on some wide-bodied aircraft especially for economy-fare businessmen, so that they can be separated from the mass of tourist and leisure traffic travelling at lower rates.

This special cabin experiment was tried out on the route to and from Hong Kong, and was found to be such a success that it is now being extended to other flights. This will enable businessmen to be given a higher standard of in-flight service than would otherwise be the case.

There are many other areas where BA has worked to improve facilities for the businessman directly in the past year or two. These include the introduction of the domestic Shuttle, no-reservations services on the routes between Heathrow and Glasgow, Edinburgh and Belfast. These have already proved so successful that BA is discussing with Air France, KLM, Sabena and Aer Lingus the possibility of introducing similar operations on the routes between Paris, Amsterdam, Brussels and Dublin. It is hoped that by the end of this decade no fewer than 8m. of the passengers flying between the U.K. and the Continent and on domestic trunk operations will be carried aboard Shuttle flights.

Efforts

The airlines' efforts, therefore, to woo the business traveller depend largely upon their ability to make him feel that he is valued, and valuable, customer. Safety, reliability, punctuality and courtesy count for far more than an extra glass of gin or a bag of peanuts on a flight, a lesson which some airlines do not seem to have yet learned.

Speed and efficiency of handling in the airport terminal area also account for much, and the possibility of introducing priority treatment for special baggage containers for businessmen's baggage might go a long way towards reducing the tiresome delays encountered at many airports in waiting for the baggage to arrive in the Customs Hall. Special customs and immigration channels for businessmen might also be worth exploring. The businessman's time is worth money, and his goodwill is worth much not only to the airline but also the country he is visiting.

British Airways in particular makes a special effort to cater for the businessman. Some time ago, the airline introduced a four-phase plan to improve its overall business market, which is estimated to amount to over 4m. passengers a year, representing over 11,000 journeys a day to and from nearly 200 destinations. Business travel in fact accounts for just under half of BA's total UK passengers and about 60 per cent of its revenues.

In an analysis of the business travellers it carried, BA found that there was a clearly-defined "hierarchy of needs." First, and very much foremost, was reliability (including safety), followed in equal order by choice of destination, day of travel and time of travel. Then followed speed, flexibility of scheduling (many businessmen pay the higher fares solely in order to be able to change their schedules at will without difficulty), and comfort.

The airline's four-point plan for the long-term development of business travel involved, first, practical help to companies trading overseas; secondly, improved flight schedules and better equipment on many routes; thirdly, a series of "talk-ins" with business audiences to gauge their requirements and help planning; and, finally, the introduction of innovations to improve the business travellers' lot, both on the ground and in the air.

One of the areas that BA found most irritating to businessmen was that of pricing policy—the objections being

(through World-Wide Business Centres) of complete office facilities at overseas points, including secretarial and translation facilities; travel insurance; fly-drive; and a comprehensive service for the owners and operators of executive aircraft, while it can also arrange for executive aircraft hire (either fixed-wing or helicopters).

Regular

Through its associate, BA Associated Hotels, the airline has a large number of hotels throughout the world. At Heathrow Airport, in Terminal One, BA has its own Executive Lounge, where an executive who is a regular traveller and is a member of the Executives' Club can wait for his flight in comfort and arrange his seating position on the aircraft in advance of going to the gate if he so wishes.

All of these facilities and aids are outlined in detail in a brochure called "British Airways and the Business Traveller," which is available free of charge to any businessman who writes to the BA Business Travel Centre, 18, Crimscoot Street, London, SE1 5TS.

But despite the list of aids to the businessman, and despite all the efforts of all the airlines to try to promote this kind of travel, the emphasis—after safety—must remain on regularity and punctuality. This is one area where all the airlines need to try harder than they do at present. To its credit, BA—apart from its periodic industrial disputes which severely disrupt the airline, and do much to destroy the confidence that its business travel managers try to generate—does have a reasonably good record.

Most businessmen will be prepared to forgive any airline a good deal, provided they are fairly and courteously treated (also an area where some airlines need to polish their images), but cancelled or delayed flights is the major exception, especially where airlines are tardy in giving adequate ex-

planations for the problem do not bother to give explanations at all, so business traveller is in trying to reset schedules.

The overall aim of the world air transport after ensuring for evening safety, must be to the current punctuality liability record. To be airlines already strive this, and after all no can legislate again weather. But the ultim must be a 100 per cent quality and reliability re

It is probably disast with the scheduled air together with the great tional flexibility that aircraft can often prov has led many business t away from the airline into the expanding fiel ecutive or privately ow craft. Many companies U.K. now either own t aircraft (fixed-wing coppers), or regularly from one of the 49 mer the Air Taxi Operators ation. This organisatio bers are able to provid variety of light transp craft, either piston-turbo-prop or jet, for co wishing to send busines tives anywhere in the abroad at short notice. cases, these aircraft are use the smaller civil not served by the sched lines, and in some cases ally with helicopters) t land next door to the fa offices being visited.

The resulting flexibi operation offers an i saving in time and conv to the business travel a detailed examination often also reveals the f it is much less expens might be imagined, as if overnight hotel costs avoided. Many busi have already discovered themselves. Last year, t bers of the ATOA coll flew 154m. miles with th of 300 aircraft, and 880,000 passengers.

Michael I Aerospace Correspondent

Insurance facilities

COMPANIES SENDING executives or employees on business trips overseas have to take on additional responsibilities while those employees are out of the U.K. In addition to the hazards of air travel, the employees may fall sick during the trips, they may be involved in a motor or other type of accident, or they may even be kidnapped. There could be a considerable financial liability involved for the company should anything unforeseen happen to one of these employees while he or she was away.

The choice facing companies is either to finance these liabilities directly out of their own pockets or else make adequate insurance provision for some or all of these eventualities. A company where there is a steady stream of employees going overseas may well find self-insurance, which is what paying directly means, cheaper than taking out group insurance. But this is a tricky area.

The leading insurance brokers have now devised some highly sophisticated group insurance contracts for their corporate clients to provide cover for employees on overseas business trips. This would provide for those companies where overseas visits is a regular feature of business life. For the occasional trip a single policy would be arranged.

The first eventuality which needs insurance cover is to meet the effects of an aircraft acci-

dent. The horrors of a Jumbo crash have recently been brought home very vividly indeed. Such insurance can be covered through a group personal accident policy, which would indemnify the company for the financial loss arising from the death or disablement of an employee as a result of an air crash. The amount of cover would be related to the worth of that employee to the company, but this figure is rather open-ended. Underwriting is straightforward if the employees are only using regular airline routes, but where hired aircraft are used flying over remote territories care has to be taken to ensure that the policy covers this form of travel.

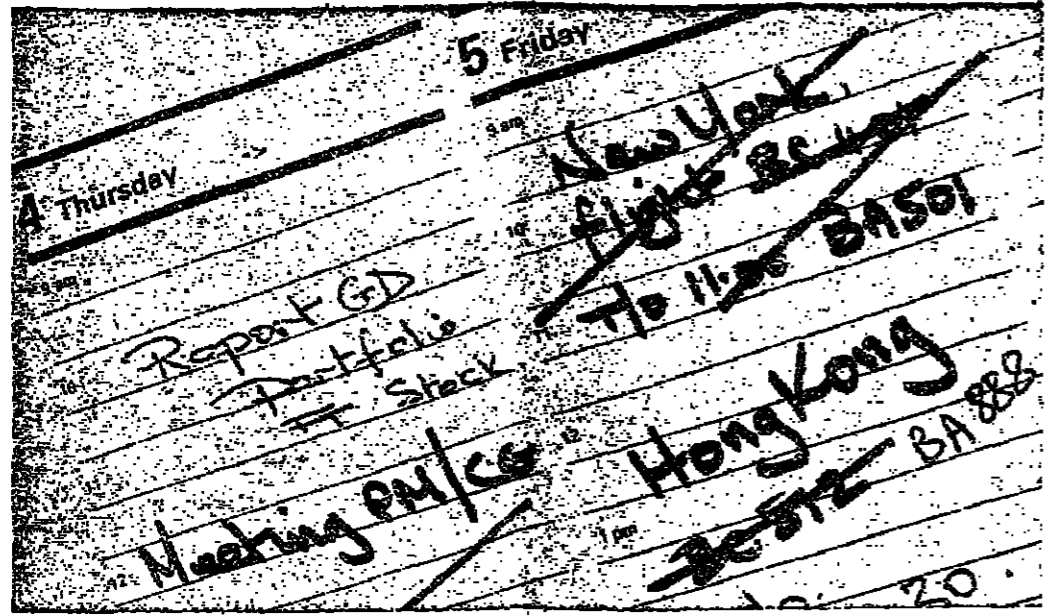
Benefits

But there is also the financial consequences to the employee's wife, children and other dependants to consider. More and more this is being covered by the company's pension and disability arrangements which now is providing very comprehensive benefits. The company can, however, supplement this by ex-gratia payments to the family out of the insurance proceeds. This may sound very much like paternalism on the part of the company, but there are sound tax reasons for making provision this way. If the haggling goes on over the employee's dependants had an inalienable right to some of the

insurance money, the Inland Revenue would take this amount as part deceased estate and all suffer Capital Transfer Tax making the payments which of the company r is levied on what is paid happens if an employ taken ill or has an a while in a particular c We take the compl National Health Servic much for granted wi nominally free treatme least no fees are char the time of illness. Con abroad may be very different with charges made at each successive treatment until recovery

The medical insurance meet all hospital char cured and all fees chan surgeons, consultants specialists and all co drugs, prescriptions and dments, in short all the b cured through hospital Even more important, i surers which operate i field have a worldwide tion and have also estal a network of agencies contacts in many count ensure swift payment of There is no need to fear fore that though the em is fit to travel, he is languishing in hospital employe's dependants had an ment of bills. But even if the illness

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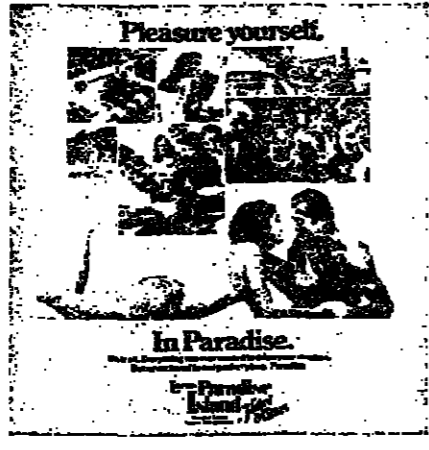
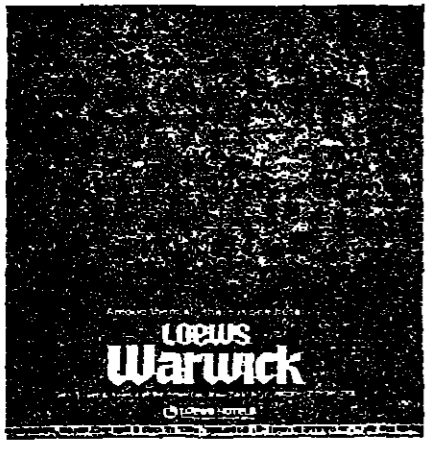
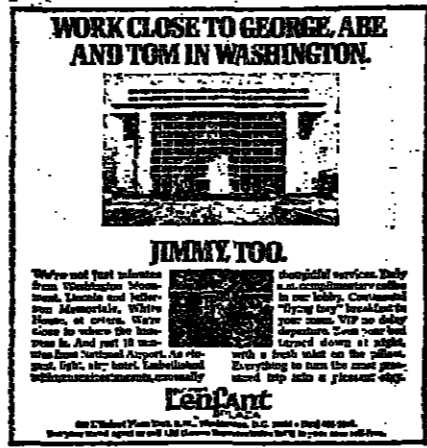
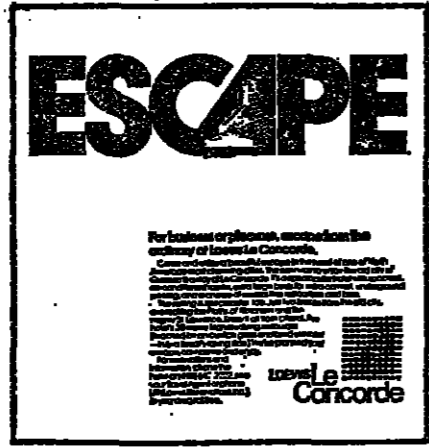
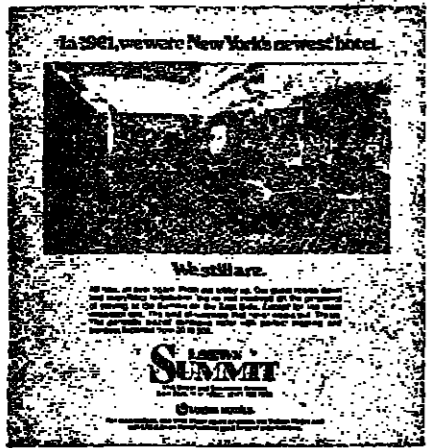
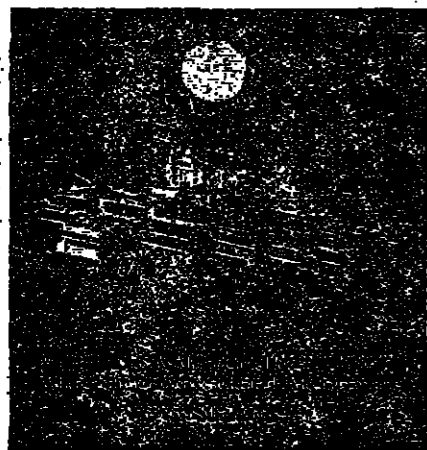
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# Economics of car rental



Hertz U.K.'s computerised reservation centre in central London.

THE CAR RENTAL companies are in a fine dilemma: how do you provide vehicles with enough speed and efficiency to please the customer and yet carry out sufficient credit checks to make sure that a 24,000 vehicle is not being handed over to anyone who will never pay for it. Such is the competitive nature of the business these days that the car rental organisations are driven more and more into providing an instant service for the business customer and each time some new piece of wizardry or one-upmanship is introduced the rental companies have to worry over whether or not they are exposing their debt position.

Car rental typifies the general difficulties of the travel industry—maximising resources and yet satisfying demands. Quite apart from the credit problems inherent in any rental business, there is the difficulty of ensuring that supply and demand are evenly matched. How do you ensure that there are enough vehicles to meet the need of the business community, and yet not have such a surplus that you are handicapped by vehicles standing idle in the car park? The answer is, of course, that you don't. Anyone who has tried to rent a car at short notice in London in August will know that there are times of year when the most efficient of rental groups have to throw up their hands and turn business away.

one company can mean the loss of considerable business over a long period of time. Although there is a swing towards greater consciousness on the part of corporate travel departments, car rental is one area where reliability seems to demand a somewhat higher premium than sheer price. Renters assume that companies charge much the same rate, which is sometimes not entirely true and tend to choose the group which consistently gives the better service. What this service is depends very much on the individual concerned—it may be multiplicity about this, opening hours, billing systems, or simply pleasant local staff.

Why then not just go to the local small car rental outlet in the first place? Often, of course, this is the best thing to do. The big car rental companies build into their charges the cost of operating services which you may not actually need. If you are the sort of renter who regularly takes a car from one office, and returns it to that office, then there is little point in paying the rates that justify a rent-it-here, leave-it-here system, and provide instant international computer booking.

What the car rental companies are looking for is a business which would, ideally, give them consistent traffic year round, without any booms or troughs at particular times of the year. Business rental gives them this, with the minor disadvantage that businessmen are not major users of rental services at weekends. If only they did then the car rental world would be more content.

Perhaps Godfrey Davis is pleased that this particular consumer test has never been inflicted upon them. Probably the best advice for a regular renter is not to trade with a measure of loyalty. Once Hertz from the less glamorous you become a treasured customer the rental companies will

put themselves out more than normally on your behalf—renting you larger cars when they do not have any smaller ones left, but at the small car rate, making sure that you get the one car to come in on a Bank Holiday weekend, and perhaps adding a note or two on a foreign booking telex to indicate that your custom is particularly valuable.

Most car rental companies give discounts to companies. Ten per cent. is the norm in Britain, but you and your staff get more in some foreign countries on production of something that identifies you as a business account consumer. Most offices also run systems that keep the details of regular renters on file so that the customer does not have to wait around while the form is being filed in. Perhaps the most sophisticated and certainly the most promoted is the Hertz No. 1 club, but others offer similar services—and Avis gives Green Shield stamps.

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## Repairs

Most of the bigger car rental groups aim for something between 85 and 90 per cent. average usage of their cars. Obviously at any one moment there are a certain number of cars off the road for servicing or repairs. The nearer you get to the upper figure the greater the disappointment level of the customers who turn up hoping to get vehicles and find that there are none to be had.

In this delicate balance there is plenty of room for error, which is why most travellers have tales of being stranded carelessly in the most unlikely places. By and large, however, the rental companies do try to give more attention to business traffic for the reasons that a couple of upset customers from

importance to the consumer than size, which is currently the subject of considerable dispute between the three market leaders in Britain. All currently claim to be biggest in some field or the other and over some territorial area. As far as most of us are concerned, Godfrey Davis, Hertz and Avis are each as good as their local offices and size is almost immaterial.

## Vital

If you can find a good local car renter who provides an excellent service, then it would be foolish to overlook them. The big rental companies are naturally aware of this competition and try to adjust their rates accordingly, so once again it is a matter of reading the small print.

The one danger in going to the small man round the corner is insurance. This may be less of a problem, but still worth investigating, in Britain, but can be vital abroad. A car that

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We've got rentability

## Insurance

CONTINUED FROM PREVIOUS PAGE

is a country which has reciprocal National Health agreements with the U.K. there is still likely to be additional expenses to meet them if they happen if illness occurred in the U.K. To start with treatment in most countries is not completely free as it is in the U.K. Many small services have to be paid for. Then there are the costs involved of getting the employee back to the U.K. as soon as he is able to travel.

## Advanced

But in many countries, the medical facilities may not be sufficiently advanced to deal with complicated illness such as a heart attack. In such cases the only answer is to fly the patient to the nearest hospital in more than a few days in hope that can deal with the case or that expenses that would not be incurred if the illness happened in the U.K. The insurer

arrange for the flying ambulance itself.

Another possible hazard arises if the employee gets involved in a motor accident involving injury to a member of the public. Normally, the insurance on the car itself should meet third party liability, whether it is a hired car or one of the company's own cars. There should not be any need to provide motor insurance for business travel overseas, although some public liability cover is desirable for non-motor accidents, just as it is desirable for individuals to have such cover for their personal responsibilities in the U.K. The freak accident involving another person can occur and some countries, notably the U.S., can have high levels of compensation awarded by the courts.

In some countries, such as Turkey and Iran, the driver of a car involved in an accident gets put in jail until the matter is resolved, a procedure that can take weeks. Special insurance can be arranged that would provide the bail for the employee in such an eventuality. But this is a risk that can be easily avoided. Employees can be instructed only to use chauffeur driven cars in such countries. One leading firm of insurance brokers specialising in insurances for overseas travel has imposed such instructions to its own employees who are on business travelling abroad.

Finally, there is the comparatively new risk of an employee being kidnapped or held to ransom. Some companies do arrange insurance which would meet at least part of the ransom in such an eventuality. But these arrangements are kept very quiet, on the grounds that otherwise terrorists would be encouraged even further in indulging in kidnapping as a source of funds. Such insurances are actually illegal in some countries, for example Italy, so as not to weaken the resolve to stand up to the kidnapers. Unfortunately, the insurance does not provide any compensation to the victim—surely the person who most deserves it.

Eric Short

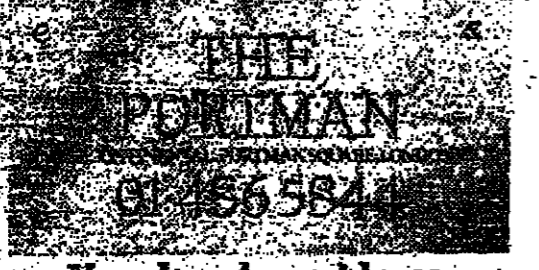
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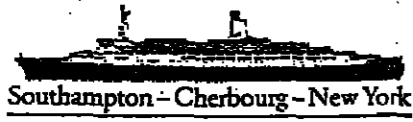
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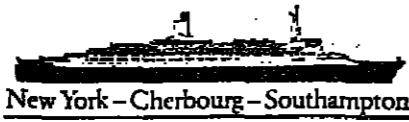
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"ON-THE-JOB" training is the most realistic teaching method," said Herr Müller, pronouncing the words distinctly. He was telling a clutch of English journalists in Zürich how Crédit Suisse trains its staff in banking procedures by means of an IBM on-line computer-assisted learning system.

The complexities of the system were hard to grasp, and for that sole reason Herr Müller's audience were concentrating fiercely. But seeing the effort in our faces, he misinterpreted its cause. "I am sorry if my English is at fault," he said, "but you see, it is only my fourth language."

The feeling of inadequacy aroused by those words will, I am sure, be all too familiar to most British people who do business abroad. Compared with our overseas counterparts, we are generally a drearily monolingual lot.

It is to our economic disadvantage, of course. Even though English is becoming ever more the business language of the world (I have heard of German groups sending executives here to learn it as preparation for working in Japan), there are definite bonuses in knowing the tongues of overseas customers. Quite apart from its courtesy value, it permits you to understand what prospective clients may be saying to each other, and that can be crucial to a shrewd understanding of what they say to you. It is not unknown for overseas negotiating teams all of whom speak English to keep quiet about it and insist on going through an interpreter.

The edge that this tactic can provide in group negotiations surely needs no describing.

But whatever the potential benefits and no matter how great our distaste for being linguistically upstaged by the world at large, they are plainly not enough to overcome the predominant British dislike of learning foreign languages. Entry to the Common Market, increasingly obvious reliance on success in overseas markets, and even the far greater real rewards for managerial work elsewhere in Europe seem to have made no appreciable difference to our national linguistic complacency.

Part of the cause could well be the tradition in British schools—where records are, on recent evidence, becoming worse—of teaching even modern languages as cultural objects for leisured appreciation, rather than as a means of communication for everyday use. It is common to find people who have studied, say, French and Russian to the standard of GCE Advanced level and years later, given time, can still make a fair shot at reading them. But confront these people with a Frenchman or a Russian in the flesh, and all too often the best they can manage is a halting admission of inability to converse.

True, the traditional school study reinforced by a few weeks in the country concerned may enable one to give the impression of trying seriously, and to be amusing instead of just baffling, which is certainly better than nothing. But to go beyond that to anything like the competence shown by Herr Müller in even his fourth language, the sad evidence is that most British employers do not seem to recognise this. Incentives such as paying the fees and

expenses for employees who undertake study are still apparently rare, and guaranteed rewards in terms of money or promotion opportunities for those who become proficient are rarer still.

In the absence of the sheer necessity to learn which is enjoyed by other nationalities, the deliberate provision of incentives is probably the only sure means by which the British can escape from music-hall monolingualism. The plain fact is that, for all but the very few with a natural aptitude, foreign work of acquiring foreign tongues is too hard and too boring to be safely left to the individual's personal initiative.

Average

Early keenness and the initial stimulus of being plugged into technological aids soon fade in face of the slog of mastering the subject matter, and especially so if the person is studying in his or her own time. For example, given two hours of study a day plus homework—which I would imagine is more time than most British people think they could spare—the periods required for

someone of average ability to become proficient to conduct even routine business in foreign languages are estimated as follows: in the languages which generally come easiest to the British, including the Western European group and others such as Swedish, Norwegian and Danish—six months; in the moderately hard, such as Russian or Czech—12 months; in the difficult languages, such as Japanese—48 months.

The trouble with spreading out the learning process over such long periods is that the effort tends to be self-defeating. Despite putting in the two hours a day and a reasonable amount of sporadic revision, the student is unlikely to gain a sense of making progress which is sufficient to counteract the lethargy of the work. The result seems to be that, no matter how good the teaching aids being used, the temptation to abandon the study increases powerfully as the weeks drag by.

The corollary is that the language learning process becomes more efficient as the study becomes more concentrated. Step up the rate to four hours a day plus homework and you sharply raise your chances of

completing the course of study, as well as halving the period required to attain a level of proficiency.

Some experts believe that one really interested individual will probably be able to complete a course of about 10 to 15 hours of instruction in the evenings, is enough for most people the essential platform of fluency.

Those of a stronger, more impatient, make-up, even more intensive basic tuition into six 50-hour instruction is student inevitably frayed, but with a little memory and an up sense of having made progress, that is no because even the most severely won foreign skills are apt to disappear rapidly if the course is followed up by frequent

At some point the will no doubt become a man—like that, a bicycle—but the wis would do best not to that too early.

Michael

Working to a budget

BRITISH EXPORTERS, though aware of the opportunities presented by the recent weakness of sterling, are nevertheless conscious of the increasing cost of mounting overseas sales drives, and some have wisely made the effort to cut these expenses where possible.

Although the British Government makes fairly generous allowances through the British Overseas Trade Board to assist certain activities abroad, these grants are circumscribed by various requirements which many exporters are unable to meet. For that reason they have had to look elsewhere for cheaper rates.

It is clear that most companies book airline flights and hotels through normal channels and pay the going rates, often because their employees have to travel at short notice and in any case have become accustomed to the conventional way of doing things. Many companies have also laid down travel policies which preclude any reduced rate services.

Nevertheless, there is a growing demand by exporters for more economical means of getting sales representatives abroad and many travel agents and airlines are now making appropriate package deals available. But perhaps the most successful enterprise in this field is the service run by the London Chamber of Commerce, in conjunction with chambers all over the country.

The aim of the London Chamber's scheme, run on a non-profit basis, is to offer low cost business travel to aid members promoting trade outside the U.K. Its function, the chamber says, is to remove the headaches from trade associations and other businessmen when confronted with the daunting problems of organising overseas visits.

"We offer many destinations at reduced costs and back up these services with the technical knowledge required by such people as export directors and travelling businessmen. There are a variety of combinations and alternatives which we can offer to suit various requirements of individual travellers," the chamber says.

"In many cases we are able to offer discounted flights with no accommodation, or alternatively, to form an individual package with accommodation in all or just some of the destinations required. Trade mission and exhibition travel is also included in our programme," it adds.

If, for example, a company wants to sell machine tools in Japan, and asks the chamber for assistance, the international division's economist covering the area would first offer advice on the chances of selling there and assist in providing contacts there. If no mission were available at the time, the chamber would examine the possibility of a group visit or make individual arrangements for the company concerned. In some circumstances it can offer reductions of up to £100 on a £350-£400 air ticket to the Far East (although this is considerably less in Europe).

The chamber, while insisting that it has nothing to do with "bucket shop" air tickets, has wide contacts in the travel market and claims to be able to find some of the cheapest

fares to most countries. It has also obtained cooperation from some hotel groups and airlines. All bookings are made directly to the London Chamber of Commerce and Industry and are allocated to whichever area can produce the best arrangement for each booking. All payments are made to the London Chamber to avoid confusions.

An executive travel circle is also open to individuals or companies on the basis that they are members of the London Chamber. This enables the members to obtain discounts on car hire and hotel accommodation. It is regarded as particularly beneficial to businessmen who travel frequently to Europe for short periods, who are not able to take advantage of excursion travel rates and shows a considerable saving in hotel costs.

Scheme

Most hotels offer about 10 per cent discount although some groups offer a guaranteed rate scheme. Although this does not actually give a discount it can show a considerable saving in many cases. The scheme operates with hotels which are normally heavily booked, and where there is a risk of guests not being able to obtain reserved accommodation.

Under the scheme, once a room has been confirmed by the central reservations it is guaranteed and should you arrive to find no room of the required grade, a superior one will be provided at no extra cost. Many of the hotels which are featured in this scheme do show reductions on the basic room rates, although these vary considerably.

Eurocar provides a world service for car hire which is linked with National of America

and is gradually expanding new places, and our 10 per cent discount available. Reservations made from a local office, for bookings all world.

Of the airlines, British Airways probably offers the widest range of facilities for business travel. These include super-cabin, schemes for conventions, study tours, etc. For example, Sovereign Concorde offers inclusive trips to the Washington Hilton (with three nights in the Washington Hilton spread to new areas, intended to introduce packages.

British Airways still can be organised with of not less than 20 people are specially planned in line to meet the requirements of such groups which to study some chosen industry, trade, or professional activity. Airways says: "Study 1. growing in numbers, influence. The current situation means must become more cost and improve methods."

And for the harassed executive, British Airways offers "Thinkaway". It claims to offer an environment to discuss and resolve management problems are based, for example, vineyard surrounded by France, a Rhine cruise castle in Ireland or a Swiss lakeside hotel, ideally suited for groups of 20 people.

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Shareholdings of 5-10 per cent. are to be disclosed. Margaret Reid reports.

# A new factor in take-overs

FROM TODAY the take-over game will acquire a new dimension of interest to numerous investors. The disclosure of smaller shareholdings down to 5 per cent. of a company's voting capital—newly required under the Companies Act 1976—may provide a crop of new clues as to where would-be bidders are starting to nibble at stakes which would previously have been regarded as too small to disclose.

Disclosures of holdings between 5 and 10 per cent. will be announced shortly under the provisions of the new Act, which is expected to be in force by the end of the year.

The amendments will put the spotlight on some of the smaller, but often significant, shareholdings of individuals, notably the Arabs.

Hitherto, institutions and other investors have only been required to disclose stakes of 10 per cent. or more in companies. This, combined with the ability to acquire shares through nominee companies, has enabled several parties acting jointly through the controversial warehousing technique to build up between them a sizeable enough stake to launch a takeover offer and to ensure its success. All this could be done without the company's Board realising what was happening.

The recent Companies Act, now largely brought into force, grapples with this phenomenon and others in ways long considered by both political parties since the Conservatives' abortive Companies Bill in 1973. Apart from disclosure of smaller holdings than required before—to be made within five, not 14 days—the new Act will also entitle Boards to find the true wharf

behind a nominee shareholding. In addition, the Act now requires directors' share deals not merely to be reported to a company's Board, but to be notified by that company to the Stock Exchange quickly, rather than merely being recorded in a register available for inspection. But it has not taken the key further step of outlawing insider trading, the use by company officials and advisers of confidential information for personal gain in share dealings, though legislation against it—as favoured by Lord Shawcross, chairman of the City Take-over Panel—may follow.

But for the present, the provisions of the new Act requiring disclosure of a wide range of further share stakes are likely to attract most of the limelight. Beyond giving pointers to where take-over bids could come from, the new disclosure rules will lead to new light being thrown on the policies of investing institutions, including insurance groups, pension funds and others.

One of the most intriguing areas will be the investments of the oil-rich Middle East State of Kuwait, for long a holder of British shares—since 1974 on a much increased scale—through the Kuwait Investment Office in London, part of Kuwait's Ministry of Finance.

The new disclosures will shortly demonstrate that Kuwait is now one of the largest single investors in Britain, with total holdings certainly running into hundreds of millions of pounds.

The Kuwait Investment Office was last in the headlines in September, 1974, when it took over St. Martin's Property Corporation for £107m, acquiring with it a 34.07 per cent. stake in Hays Wharf, which until now has

been its only other disclosed holding of more than 10 per cent. in a British company.

Within the next few days, quite a substantial number of 5-10 per cent. stakes in companies, hitherto held in a nominee name, will be unveiled as belonging to Kuwait. This will be done in letters from the Bank of England on the KIO's behalf to the companies in question. The resulting picture is likely to indicate investment in Britain by this Arab country on a scale beyond what most people have imagined.

with another major bid must be a matter for guesswork.

Prudential Assurance, the largest home-grown institution, which has hitherto reported some 90 different shareholdings of 10 per cent. or more, will in the next fortnight or so reveal about 200 holdings in the 5-10 per cent. category.

This is likely to be particularly interesting to the investment community, since the Prudential has lately shown itself prepared on occasion to become a full-scale bidder, as in its offer for Standard Trust. But its list will not be as sensational as Kuwait's, because its holdings are already entered in company registers under its own name and so are available to the careful searcher.

Another, smaller, life insurance company which will reveal as many as 60 holdings of 5-10 per cent. in other companies is the Birmingham-based Britannia Assurance, which has selected like investments in several smaller companies, though not with an eye to making bids.

Norwich Union, the big mutual insurance group, has fallen into line with the stricter disclosure requirements ahead of the prescribed timetable. In the past month, it has revealed holdings of 5-10 per cent. in some 30 companies, including pension funds, disclosures which however in many cases be far fewer, particularly where investment tends to favour holdings only in larger companies.

The Church Commissioners, for example, are expected to have only about two holdings in the 5-10 per cent. class to disclose under the new rules. The more extensive disclosure now required under the Com-



Two of the largest investors in British companies, whose share stakes of 5-10 per cent. will soon be revealed, are Prudential Assurance (headquarters shown left) and Kuwait, whose ruler is Sheikh Sabah Al Salem Al Sabah (right).

## Iceberg

It is likely that Kuwait will then emerge as the holder of valuable interests in some of the largest companies, as well as with an extensive range of stakes in smaller concerns. But what will be declared will be no more than the top of the iceberg of Kuwait's total UK shareholdings, given that even holdings of sizeable value in big companies often amount to less than 5 per cent.

Considerable speculation is likely about the ratio between Kuwait's disclosed holdings and its total stake in British companies—whether the latter is, for instance, three or four times or any other multiple of the sum of the revealed 5-10 per cent. interests.

What will be confirmed is that Kuwait is an important portfolio holder of British shares, and happy to be so—indeed that it evidently has considerable confidence in Britain in present economic conditions. Whether the policy it has always invariably followed of keeping holdings within 10 per cent. could again be departed from

panels Act can be seen as part of the developing drive for tighter control and supervision of the whole securities industry in the interests of fair play for the personal and institutional investor. Whether this has yet gone far enough is, however, a matter of debate, and many would argue that it has not.

The present Government, like its Conservative predecessor, favours a system of voluntary City self-regulation of day-to-day dealings in the stock market through the Stock Exchange and the Take-over Panel, coupled with a developing statutory basis of company law. But Mr. Edmundson, the Trade Secretary, emphasised last October, when rejecting the idea of a legally-based City watchdog like the U.S. Securities and Exchange Commission, that increased surveillance of markets was needed. This is now the subject of attention by a joint Department of Trade-Bank of England review body.

Action launched this week by the Stock Exchange and the Take-over Panel to increase the curbs against insider or "informed" share deals, particularly ahead of take-over bid announcements, is further evidence of tighter regulatory action.

The particular theme of the disclosure provisions of the Companies Act 1976, is that to share the information available to shareholders, the more complete and fair will be the basis on which everybody makes investment decisions. The provision, entitling companies to know the true owners of the nominee holdings, also now coming into force, further buttresses the disclosure principle. The increased obligation on companies to disclose their

directors' share dealings to the Stock Exchange should amount to a tougher, though informal, sanction against insider trading and should highlight transactions of this nature which cannot be described as normal legitimate investment activity.

There is a considerable bipartisan favour about the disclosure provisions now brought into force. Action along these lines was first provided for in the Conservatives' Companies Bill of 1973, which lapsed when Labour won the General Election of February, 1974. The Bill had partly been prompted by the take-over activity—in its happier days—of the Slater Walker Securities group, whose warehousing activities, such as the takeover of Associated British Milksters, caused great resentment.

After much criticism, Slater Walker subsequently adopted a policy of extensive disclosure of shareholdings in different parts of its group. As it happened, it was Mr. Peter Walker—formerly Mr. Jim Slater's partner in Slater Walker, though long since separated from the company—who introduced the Bill

## Insiders

But the Conservative Opposition put down provisions parallel to those in the 1973 Bill on wider disclosure in addition, at first, to others mirroring the original proposals to outlaw insider trading. Last July, the Government adopted the disclosure provisions, though—apparently because of problems with drafting controls which did not pass unremarked—some of the provisions which were not ultimately pressed by the Conservatives. Nonetheless, it appears likely that legislation on insider trading will be introduced in due course, possibly in connection with action on the Bullcock proposals about industrial democracy—though these are now the subject of acute political controversy.

Welcome as the new disclosure provisions will be to many investors, they may have some side-effects which are awkward for larger City investors.

For instance, a major institution like the Prudential quite frequently alters the size of holdings as part of the process of managing its portfolio.

Thus, some changes could be expected from time to time in the scale of declared holdings falling in the 5-10 per cent. category. Up to now, these have taken place little noticed. But now that such alterations will have to be announced immediately, some institutions fear that excessive significance will be attached to many adjustments which would hitherto have passed unremarked.

Nevertheless, the tighter rules should on balance make for better, because more open, trading conditions. And they should certainly afford some extra spice to the life of all investors.

## Tax relief for exchange losses

FROM MR. D. ROOKE. Sir—It is to be regretted that the Chancellor has not felt able to propose any tax relief whatsoever for the extra cost to companies of repaying foreign currency loans where sterling has fallen in value. The following actual example will serve to underline the inequity of the current position.

A U.S. shipping company has recently sold a vessel, realising a loss of some \$1.5m. The U.S. sale proceeds, however, when converted into sterling, represent by some £2m. a greater sterling equivalent than that of the original U.S. cost of the vessel. The vessel was financed 100 per cent. by a specific U.S. loan, now fully repaid, on which an exchange loss of some £2.7m. was realised.

Under current legislation there is deemed to be a capital gain of £2.7m. at an effective rate of 30 per cent. No relief whatsoever is given for the realised exchange loss of £2.7m. The company is therefore being taxed on a profit having incurred a loss.

It is my contention that, when there is a clear loss on the loan and the asset being financed, any exchange loss should be fully allowable for tax purposes. Failing this, it can only be fair that where losses on foreign currency borrowings are equal to or in excess of the related capital gain, no tax should be payable on the capital gain.

D. P. Rooke, 18, Ostrove Gardens, Swillington, Surrey.

## Legislation for credit unions

FROM MR. D. ROOKE. Sir—In your issue April 9 your correspondent refers to your proposals for legislation on credit unions which will be the subject of proposed legislation. He states that the Treasury does not appear to know much about them, and that he knows little about them. No comment!

Prior to 1966 when I was hon. secretary of the Association of Deposit (Friendly) Societies, I knew that members sought facilities for savings apart from sickness, insurance and life assurance. I found that credit unions were large and powerful associations both on the Continent and in America; there was no legislation in this country to regulate the founding of such mutual funds and a friendly society had not the necessary powers. There was, however, a somewhat similar power under the Friendly Societies Act, 1896, Sec. 46 whereby members could borrow up to £50. One society started a loan fund and it met with ready response from the members.

The Act also permitted deposit societies to receive, but not to invest, funds from a restrictive clause—said to be based on building societies legislation—meant that it was better not to have deposits. The limits of £200 and £50 were re-established in this country with imposed in the Friendly Societies Act, 1974, and it is necessary to

## Letters to the Editor

one wonders can such a sane and rational course be ignored? L. C. Payne, The Grange, 47, London Road, Stevenage, Herts.

observe that those limits have never been altered since they were first introduced about 100 years ago.

In a mutual fund of this nature interest could not be paid to subscribers; at the end of the financial year it was necessary to determine whether there had been a surplus on trading, if so part of the surplus could be distributed to the subscribers. Any surplus from such mutual trading was not assessable to income tax in the hands of the recipients. I believe that principle still holds good. The Inland Revenue however later decided that the distribution was taxable. A new born child is in no position to argue! Subsequently an official view was expressed that such a fund should have no investments, in other words every subscription had to go out in loans. This led to an almost impossible situation.

These funds are now affected by the Consumer Credit Act, 1974. Moreover, the Trustee Savings Banks are now empowered to grant loans. Your correspondent concluded— "Whether more competition need to be brought into the field of registered funds." Having had 50 years experience of friendly societies and knowing that the members require more service and are always ready to seek out the local representative, I say yes to such competition.

What I find disturbing however, are the different Acts, different powers and different limits. The purpose of this letter is to call attention to these anomalies and to suggest that there is no good reason why credit unions should not be established in this country with a uniform basis for all who may

wish to start such a mutual fund. Perhaps I anticipate the prospective legislation? D. H. Roper, The Common, Chipperfield, Herts.

## Prudent buying ahead

FROM MR. E. DYKE. Sir—Why the emphasis upon an export led growth based upon industrial production? Five years ago yes; but today? I wonder.

In a few years we shall have a surplus of North Sea oil, to help pay for our imports and to invest in the future. Surely now is the time to work back to a low cost import economy by way of revaluation and hard bargaining in what is now substantially world wide, a buyers' market.

In a free enterprise economy it is commonly recognised the customer calls the tune and it may well be that prudent buying in the years ahead will be as useful to our balance of payments as is the hard sell.

E. D. Dyke, 17, Northdown Road, Margate, Kent.

## Free right to association

FROM THE GENERAL SECRETARY, British Aerospace Staffs' Association.

Sir—The reported (Christian Times) April 12 TUC campaign against the British Aerospace

Staffs Association and the Ship and Allied Industries Management Association highlights an attitude which can only be described as undemocratic in the extreme. It is an attitude which has resulted in this attempt to deny people the right to associate with their own choice.

Mr. Len Edmundson is reported to have said "we have made it clear in meetings with the Shipbuilding Organising Committee that we will tolerate the invasion of any non-Confederation membership." I feel sure that the members of SAIMA do not, any more than the members of BASA, consider themselves in "vaders," having spent their working lives in the industry. Rather they see themselves as members of a single industry union, specifically of and for their industry. A union which is able to concentrate on the particular problems of their industry and avoid the wide dilution of several multi industry unions.

John M. Smith, 38, High Street, Wheelchampsend, St Albans, Herts.

## Forecasting cash-flow

FROM MR. J. SEFORD. Sir—I was interested to read Michael Lafferty's comments (April 13) on the survey conducted by the Institute of Cost and Management Accountants of the use by companies of inflation-adjusted management accounts. I was not surprised to learn that the proportion that does use them is less than 50 per cent.

In reading of the various arguments and counter-arguments that have been put forward for the various forms of inflation accounting I have always been struck by the strength of opinion that apparently exists for carrying out management accounts in the form of a business in the hand that has not learnt, in the past few years, that the principal danger in times of high inflation is death due to lack of cash. In these conditions the all-important management tool is the cash-flow forecast covering a number of years ahead. Such a forecast must necessarily take inflation into account. Of course, it must involve intelligent guesswork, but there is no substitute for this in any business.

I do not know whether the Institute's survey included cash flow forecasts, but I would think that the vast majority of companies must be doing it, if for no other reason than the fact that it did not do it will have gone to the wall.

If I think it would be fair to say that forecasting cash-flow warns you that there may be rocks ahead, inflation-adjusted management accounts tell you that you have hit them, and traditional accounts tell you that you have clear water under your keel even when everyone is manning the pumps.

I am fully in favour of inflation-adjusted annual accounts as a presentation job that gives the outside world a realistic idea of your profitability and financial status, but I do not think that we should overplay the advantages of applying the principles to management accounts. If management accounts are considered to be within the scope of an accounting standard and I doubt whether they should be, then I consider cash flow forecasting should be accorded far greater importance than it has been given up to now.

John Seford, 2, Cohen Coprise, Ashford, Surrey.

## GENERAL

Balance of payments figures for March.

Mr. Roy Jenkins, president, European Communities Commission, begins two-day visit to Washington.

EEC Foreign Ministers' conference, Lancaster House, London.

EEC Finance Ministers meet, Luxembourg.

European Parliament begins session, Strasbourg.

Organisation of Oil Exporting Countries holds meeting of its Economic Commission, Vienna.

Negotiations for new international sugar agreement open, Geneva.

Mr. Edmund Dell, Trade Secretary, begins three-day visit to Tokyo.

Scottish TUC conference opens.

## To-day's Events

8.30 p.m. Sir Robin Gillett, Lord Mayor of London, attends Pewterers' Company dinner, Goldsmith's Hall, E.C.2.

OFFICIAL STATISTICS Retail sales (March, provisional).

COMPANY RESULTS Empire Stores (Bradford) (full year), Hestor (full year), Rexrolle Parsons (full year), Tri-con (full year).

COMPANY MEETINGS See Week's Financial Diary on Page 25.

MUSIC Jeremy Brown gives piano recital, St. Lawrence Jewry next Guildhall, E.C.2, 1 p.m.

Organ recital by Richard Poppelier, St. Michael, Cornhill, E.C.4, 1 p.m.

## Fixing wage norms

FROM DR. L. PAYNE. Sir—I am pleased that Mr. G. Hammond (April 7) has drawn attention to the fact that adding wage depends on the market, so of course does price, so of course does profit. This ought not to surprise anyone; indeed any measure of revenue depends not on cost but on some intrinsic abstract notion of worth or even value. It is said, work, but simply what products are worth to particular customer at a particular time.

So, when labour performance standards for labour reward remain immune, Labour proposes the market disposes. This is elementary to anyone who understands what competitive business enterprise is about, and it is anything from sad to regrettable to suggest that Labour should ever assume (which it largely does) that it has a right to an escalating level of real reward independent of what the market will pay. Inflation is simply the ineluctable adjustment to excess earnings to bring them into line with reality.

None of this should deflect attention from the fact that added-value is still a far better, direct, realistic measure of performance, largely independent of inflation, than any other measure. It allows of considerable flexibility in setting wage norms down to company level, but it provides a three-year period. It provides the essential basis (subject to modest refinements) to avoid negative increments) which would and should transform the existing straitjacket which surrounds enterprise at the present time. Added-value allows of management and labour to constructive policies towards establishing their own earnings norms largely independent of government, TUC or the CBI, in a way which is non-inflationary. How much longer

## Over-valued sterling

FROM THE CHIEF ECONOMIST, James Copel and Co.

Sir—Samuel Brittan (April 7) points out that "since early 1973 sterling has fallen 10 per cent. further than can be justified by comparative inflation rates in the U.K. and the main OECD countries." The implication here is that there is no need to allow sterling to fall further. Indeed, since the reasoning there is a strong case for allowing the U.K. currency to rise. As Mr. Brittan admits, however, the base date of early 1973 chosen by the Treasury in its latest financial statement is open to question. This is mildly Sterling was vastly over-valued in early 1973 averaging \$2.60—the second highest level since the pre-1967 devaluation levels of \$2.80. A complete and absolute distortion to use this period as a starting point.

In work undertaken last year on the underlying trend in sterling as reflected by movements in U.K./U.S. competitiveness, I suggested that ideally a base point should relate to a period when (a) the 5/£ rate and the investment currency in dollar terms were at the same level (viz. the dollar premium hit \$1.60 by end-1977. Other projected movements in relative prices point to similar declines in sterling against other major currencies during the course of the year.

All these projections take no account of sentiment and the resultant capital flows which can have a significant impact on exchange rates, particularly in the short term. These factors may demand that certain currencies stand at premium or a discount to their fundamental values (as reflected by the trend in relative prices).

Thus, in the last decade, the Swiss franc and the Dutch guilder have tended to stand at a premium to their fundamental values (as reflected by inflation differentials), while the French

## Sterling forecasts based on projected U.S./U.K. inflation differentials\*

	(\$ per £)	1958 base	1962 base	Actual spot rate
Actual 1976 4th Qtr.	1.64	1.70	1.70	
1977 1st "	1.62	1.69	1.72	
Forecasts				
2nd "	1.56	1.62	—	
3rd "	1.56	1.62	—	
4th "	1.53	1.59	—	
1977 U.S. retail price growth forecasts (year-on-year) Qtr. II 61%.				
Qtr. III 54%, Qtr. IV 51%.				
1977 U.K. retail price growth forecasts (year-on-year) Qtr. II 17%.				
Qtr. III 15%, Qtr. IV 13%.				

(\*) of emerging world economic recovery.

Both these criteria pointed to end-1969 as the most appropriate base date. It was in 1949 that a host of currencies were repositioned vis-à-vis the dollar with the new cross rates bearing a closer relationship to underlying market trends. Equally, 1949 was a year of economic recovery in a major industrial nations. Allowance for inflation differentials since 1949, sterling should have stood at \$1.72 by end-1976 and should hit \$1.60 by end-1977. Other projected movements in relative prices point to similar declines in sterling against other major currencies during the course of the year.

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# History TODAY

Edited by Peter Quennell and Alan Hodge

- The April issue includes:
- PEKING TO MOSCOW: The Trans-Siberian Caravan Route**  
William Gardener  
Silks, tobacco and tea from China were exchanged across the deserts north-west of Peking for furs, cloth and leather from Asiatic Russia.
  - SARAGAMI: SIKHS AND PATHANS, 1897**  
James Lunt  
Victory over the tribesmen on the North-west frontier of British India is still commemorated by Sikh regiments.
  - JEAN BAPTISTE OUDRY, 1688-1755 Painter to the Hunt of Louis XV**  
R. B. Fountain
  - LORD ODO RUSSELL AND BISMARCK** Alec Randall  
For thirteen years Odo Russell was British Ambassador in Berlin where he was an appreciative critic of Bismarck's policies.
  - 'THE SHACKY TIME': OHIO FRONTIER VALLEY**  
Ray Swick  
In the late eighteenth century Americans began to settle in huge aromatic forests across the Appalachians.
  - THE SPIRIT WRESTLERS, Part II** George Woodcock  
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# COMPANY NEWS

## Confidence at Plantation Holdings

IN HIS annual statement, Mr. S. W. Livesey, the chairman of Plantation Holdings, says that notwithstanding the many problems which are ahead, the directors retain their confidence for the coming year.

As reported on March 18, turnover expanded from £23m. to £27.15m. in 1976 and pre-tax profits rose from £2.26m. to a record £3.22m. Stated earnings advanced from 2.5p to 4.7p per 10p share and the dividend total is lifted from 1.775p to the maximum permitted 1.950p.

A statement of source and application of funds shows an increase in net liquid funds of £15m. (£113,000 decrease). The Malaysian operations were particularly successful with profits increasing by £998,000. As part of the Malaysian expansion programme, the plantation operating companies have moved their residence to Malaysia for tax purposes. In consequence the deferred tax provision made on revaluation of the estates has been eliminated. This factor and the effects of currency changes on overseas asset values in sterling terms have resulted in a rise in group net assets to 40.8p (32.7p) per share.

The Malaysian authorities have indicated that the exploitation of tin in an area which includes Brooklands, the plantation which is being developed, is to be shelved. The Gazette Order on the Brooklands Estate remains in force but the company is seeking to have it withdrawn.

Mr. Livesey explains that, since the amalgamation of the nine rubber companies 11 years ago and the subsequent sale of some of the estates, policy has been to enlarge the U.K. operations and to equate earnings with those from Malaysia. This was achieved in 1972. Since then, however, rising commodity prices have helped Malaysian profits to advance. In 1976 Eastern operating profits were £2.4m. compared with £1.3m. from the U.K. operations.

Exports from the U.K. operating companies rose by over 31 per cent. to £4.88m. and now account for more than 22 per cent. of total U.K. sales. Mr. Livesey is to be succeeded as chairman by Mr. Kenneth Cork on July 1.

As at February 28, Hutchison International held 27.75 per cent. and Fung Consolidated 26.32 per cent. of the equity. Meeting, 20 Aldermanbury, E.C. on May 18 at noon.

## Bentima sees same again

IN his annual statement Mr. R. D. Gill chairman of Bentima Industries says that although current trading is running a little below the corresponding period the directors are budgeting for a year similar to 1976 when pre-tax profits amounted to £302,502 against £294,190.

Some 1.12m. shares in Bentima are held by 1970 Trust of which

### BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interim or final and the sub-divisions shown below are based mainly on last year's unstable.

Mr. Gill and Mr. R. H. Maudsley — a director of Bentima — are chairman and a director respectively.

## Provident Mutual Life

THE ANNUAL report and accounts of Provident Mutual Life Assurance Association for 1976 shows that over half of the amount invested during the year went into the gilt sector with 50 per cent. of this investment being made in the final quarter when yields reached very high levels. In contrast, net investment in equities was modest but £3.5m. was invested in property. At the end of the year, holdings in gilts had risen by over £20m. to £37m. and property by £7m. to £20m. Equity holdings totalled £44m.

Premium income received during the year rose by 20 per cent. to £43.6m. and investment income by 26 per cent. to £18m. Claims and expenses were nearly £2m. higher at £23m. so the net cash flow last year increased by 31 per cent. to £38.7m. The value of the long-term insurance fund stood at £197.7m. at the end of the year compared with £163m. at the beginning.

Commenting on the results Mr. David Robertson in his chairman's statement pointed out that the expenses invariably reflected inflationary trends and last year's figures included the full impact of a pay settlement made prior to the introduction of the pay policy. Staff numbers were slowly increasing a reflection of the large volumes of business underwritten by the Association. Mr. Robertson referred to the inhibitive effects of the pay policy on pension scheme improvements. It was essential that employers should be given a firm date from which they could introduce desirable pension scheme improvements. Mr. Robertson also attacked the proposals of the Labour Party to nationalise insurance, which, whatever reasons were put

### FUTURE DATES

Change Wares	April 21
Finals	
Baird (William)	April 23
Bentley	April 29
Barclay	April 29
Chamberlain Group	April 19
Crossland (R. and A. G.)	April 22
Hawker Siddeley	April 23
Home Churn	April 27
Perry (Harold) Motors	April 21
Schweppes Wessport	April 29
Securities Trust of Scotland	April 29
Silhouette	April 28
Simon Engineering	April 23
Sullall (William)	April 27
Sundell	April 27

forward, was an attempt by the Left to control people's savings and invest them without regard to the interests of policyholders. He also regarded the alternative proposals of direction of investment as equally disastrous.

## J. Wilkes plans to improve

THE GROUP is passing through the unprecedented pressures, but markets are sound for the future, says Mr. James Wilkes, the chairman of James Wilkes, business forms and equipment manufacturers. "We have good plans for, and already some achievement of, a return to better profitability," he adds.

The group made a reduced pre-tax profit in 1976 of £231,492 against £414,201, and maintained the dividend total at 3.452p net per 25p share (as reported on March 18).

During the period under review, the group has had considerable problems, says Mr. Wilkes, but it has "retained and improved the skills and facilities needed for future growth." Throughout the necessary retrenching exercises, profits, while not being good for the year, have been achieved, he adds.

Towards the end of the year, markets for group products and services started to revive, the chairman says. For most of the year, however, demand was at a low level. Manufacturing capacities have had to be reduced, and important steps have been taken to improve efficiency, members are told. Mr. Wilkes says that "much of the pruning is now behind us, and 1977 starts with energetic enthusiasm to achieve our new programmes."

Exports during the year amounted to £219,240. The directors are of the opinion that the market value of the group's freehold properties, on the basis of present use, was some £1.2m. The book value was £550,849. Bank balances and cash decreased during the year by £523,711 against an increase of £96,018.

Current cost accounts show a loss before tax of £148,000. Mr. Wilkes is to be replaced as chairman by his son, Mr. W. J. Wilkes. Meeting, Wolverhampton, May 12 at 2.30 p.m.

## Reynolds business to grow

Mr. R. W. Marsh, chairman of Ford main dealer W. J. Reynolds Holdings, makes no forecast of results for 1977 but says that Ford is expecting a substantially increased share of a static market and if the company receives an adequate supply of vehicles Reynolds business is expected to increase.

As reported on March 26, turnover rose from £2.2m. to £13.67m. in 1976 and profits before tax were almost doubled at £103,532 compared with a depressed £33,150. Stated earnings were 1.4p (0.4p) per 5p share and the dividend is 0.55125p (same) net.

At the year end working capital showed an increase of £5,136 (£70,109 decrease). During 1976 the directors tried to expand business by searching hard for new fleet customers not only within the group's franchise areas but outside and met with a good measure of success.

It was therefore most disappointing, says Mr. Marsh, that one of the features of the year was the continued short supply of vehicles. This had either been due to go slow, stoppages or disruptions due to model changes or strikes by delivery agents. But for these factors the results would have been much better.

Generally on the car side the overall improvements in profits, despite short supply, were largely absorbed by heavy increases in overheads.

The truck sales market not only failed to improve, as had been predicted, but actually declined in 1976 and the profit from truck sales was lower than in 1975 and 1974. Overall, taking into account greatly increased overheads, profits from the truck division were somewhat lower. However the groundwork has been laid to ensure that when an improvement comes to the truck market Reynolds will be very well placed to benefit.

RECEIVERS FOR HEATPAK  
TCK Group announces that the company's bankers have appointed receivers to Heatpak. The receivers have stated that they will continue to trade pending detailed investigations.

## Harris & Sheldon set to move forward

THERE SEEMS little evidence nationally of any marked improvement in trading prospects during the current year and consequently it is difficult to be very optimistic about the situation in general, says Mr. J. D. Miller, the chairman of Harris & Sheldon. However, there are areas within the group where prospects are good, and firm action is being taken in those companies that sustained losses during 1976, he added.

In addition, says Mr. Miller, the group remains very strong financially. On balance, therefore, short of any major decline in the national economic scene, 1977 is expected to see the group moving forward again in both sales and profits.

Mr. Miller points out that the group is still in the fairly early stages of an expansion programme, and the resultant increase in interest charges will be absorbed until such time as the investments yield the appropriate return. He adds that, as can be inferred from the programme of expansion, which involves an investment of over £2m. in fixed assets by 1979, the directors are confident of the future growth of the group.

Group profit before tax was £2.24m. against £3.2m. in 1976, and the profit after tax rose from 2.41p to 2.661p net per 25p share (as reported on March 11). The profit was struck before extraordinary debits of £551,438, the auditors, Spicer and Pegler of Birmingham, state that three of the items are not in their opinion extraordinary items as defined in SSAP No. 6. It is their opinion that the profit is therefore overstated by £127,117, the gross amount of these items. The items concerned are pension gratuity in respect of former directors £17,000, reorganisation costs of certain subsidiary companies £21,880, and cost of introduction of a new product at a subsidiary company £22,237, for a total of £61,117.

Mr. Miller says that although the profit was marginally higher than the record for 1975, it was nevertheless a disappointment. Losses at four subsidiaries offset

most of the gain at the remainder, and trading conditions proved more difficult in the second half, as expected. The improvement in sales from £30.99m. to £31.28m. was better than it appears, Mr. Miller says, because Hortico, which was sold early in the year, contributed some £3.5m. in 1975.

Direct exports reached £2.94m. an increase of 30 per cent. Liquidity continued to improve, and there was a small cash surplus at the middle of the year, the chairman says. As the planned expansion got under way, overdrafts rose again to reach some £2m. by the year end, all more than accounted for by new investment, it is stated.

Further investment will continue through 1977, and borrowings will again rise, members are told. The group has ample unused facilities with the clearing banks and has arranged medium-term loans of £4m. with them, Mr. Miller says. Consumer products and associated industries contributed 47 per cent. to turnover and £19,000 to pre-tax profit, and capital goods and associated industries 33 per cent. to turnover and £1.9m. to pre-tax profit. There was an additional contribution to pre-tax profit of £492,000 from rents, bank interest, sundry income, etc. Working capital decreased by £889,000, against an increase of £245,000.

WEST COAST TANNERIES  
The acquisition of a 29 per cent. interest in William Jacks and Company (Malaya) Berhad was completed on December 31, 1976. No earnings of Ben are included in the results.

change gain realised on sterling property loans. Earnings per 50 cents stock unit, including extraordinary items, were 27.5 (25.9) cents. The acquisition of a controlling interest in Ben and Company was completed on December 31, 1976. No earnings of Ben are included in the results.

The acquisition of a 29 per cent. interest in William Jacks and Company (Malaya) Berhad was completed on December 31, 1976. No earnings of Ben are included in the results.

### BIDS AND DEALS

#### HAMPTON GOLD ACQUIRES ROCK ENGINEERING

Hampton Gold Mining Areas, which derives most of its revenue from Western Mining's nickel operation in W. Australia, is to acquire Northern Rockdrillers which, with its subsidiaries, is known as the Rock Engineering Group. The principal vendors are Mr. Hugh D. Harrison, founder and executive chairman of Rock Engineering and Charterhouse Development, the subsidiary of the Charterhouse Group which manages development and capital activities in U.K. and Europe. Purchase price is £800,000 on completion and up to £200,000 depending on profits earned in the year to January 31, 1977. It is anticipated that the initial consideration will be satisfied by the issue of some 353,000 Ordinary shares in Hampton Areas and £500,000 in cash. The deferred consideration would be satisfied in cash.

Among the conditions of the proposed agreement are that the audited accounts for the year ended January 1977 do not differ materially from draft accounts which show profits before tax of £246,091 and net tangible assets of £324,004 and that Mr. H. D. Harrison and other executive directors enter into service agreements. Rock Engineering provides a range of specialised services to the mining, quarrying and civil engineering industries in the U.K. and has an interest in a venture based in Qatar which provides a range of rock engineering services in the Middle East.

#### UDT SELLS STAKE IN MARTIN CORP.

As foreshadowed, UDT and Canadian Imperial Bank of Commerce have reached an agreement whereby the latter has acquired the 40 per cent. interest held by UDT's subsidiary UDT (Australia) in Martin Corporation Group. Wells Fargo Bank and Baring Brothers are also shareholders in Martin with 40 per cent. and 20 per cent. respectively.

#### WEIR GROUP

In order to supply the West German market with the products of Weir Polypac, the Weir Group has set up Weir Polypac GmbH. Weir Polypac is the group's specialist manufacturers of hydraulic and pneumatic seals.

#### WESTMINSTER GRAVELS

Roßland Amerika Lijn Holding and Bee Kay Westminster Group have announced an agreement for the sale of B.A.L. Holdings's

SIMCO MONEY FUNDS	
Saturn Investment Management Co. Ltd.	
Rates for deposits of £1,000 and upwards for w/e 17.4.77.	
5-day Fund	% p.a.
Mon.	9.482
Tues.	8.957
Wed.	8.504
Fri./Sun.	8.612
3-Month Fund	
Wed.	8.125

## Irish Minister rejects deal with prisoners

BY GILES MERRITT DUBLIN, AP.

MR. PATRICK COONEY, the Irish Justice Minister, said yesterday that he was refusing to make a public inquiry into demands for a public inquiry into conditions at the Portlaoise top-security prison as the hunger strike by 18 provisional IRA prisoners entered its 42nd day. The IRA hunger strike is ostensibly over alleged brutality and harassment at Portlaoise, although a potential confrontation between the Provisional Republican movement and the Dublin authorities. Last week, the IRA prisoners were transferred to hospitals in the Curragh military camp and their condition is understood to be nearing a critical stage. The impact of the hunger strike received a setback last Friday however, when two of the original 20 men involved decided to take food. A public rally through Dublin by the Provisionals in support of the hunger strikers on a day was, possibly as a poorly attended with on 3,000 marchers. By the end of the protest meeting, the 500 demonstrators were outnumbered by riot police. Although there remains a risk that if the hunger strike goes on, the Irish men will be embarrassed by the situation, Cooney said there could be negotiations. He repeated during a radio interview his denials of inhumane or deplorable conditions in Portlaoise. The campaign for an end to the hunger strike had been mounted by a number of demonstrators. "There is nothing to be done until the end of the strike," he said. "I would regret very much indeed if anyone but that would be the responsibility of the strikers and their leader."

## Belfast withdraws denied by Army

BY OUR BELFAST CORRESPONDENT

THE ARMY in Ulster yesterday strongly denied a Sunday newspaper claim that its strength in West Belfast had been quietly reduced by 75 per cent. The Belfast-based Sunday News said it had proof that a withdrawal was under way in several areas and that this was causing an angry reaction among senior officers of the Royal Ulster Constabulary. The Army confirmed the newspaper story that soldiers had been withdrawn from two barracks in West Belfast in the past two months, but said that there was no overall reduction in numbers. The troops had been evacuated because the buildings in which they were billeted were unsatisfactory and expensive to maintain.

Mr. Paisley is mounting an intensive campaign. Government security police have said that unofficial protection given by the forces in rural areas.

## Torture hearing near end

THE IRISH REPUBLIC'S legal fight to have Britain declared guilty by a court of European judges of using torture in Ulster enters its final phase this week. The European Court of Human Rights begins a session in Strasbourg to-morrow to hear the last of submissions in proceedings initiated by Dublin more than five years ago. It will be up to six months before the court delivers its judgment on Britain's interrogation methods at the time inter-

### FFI TERM DEPOSITS

Deposits of £1,000-£25,000 accepted for fixed terms of years. Interest paid gross, half-yearly. Rates for deposits received no later than 22.4.77.									
Terms (years)	3	4	5	6	7	8	9		
Interest %	11	11½	11½	11½	12	12½	12½		
Rates for larger amounts on request. Deposits to, and for information from, The Chief Cashier, Finance for Irish Limited, 91 Waterloo Road, London SE1 8XP (01-222 Ext. 244). Cheques payable to "Bank of England, a/c FFI" is the holding company for ICFC and FCI.									



## Residential building land wanted

The Ideal Building Corporation is anxious to acquire land suitable for residential development, ideally situated near to main employment areas. I.B.C. includes Home Ideal Homes, Willett Homes and Trollope & Colls Homes. Design-build schemes, building agreements, or outright purchase considered for local authority land. Partnership schemes and company purchase are welcomed, with security of information safeguarded where desired. Please contact Mr. J. Burton, Land Director, Goldsworth House, St. Johns Road, Woking, Surrey, GU21 1BR. Telephone: Woking 70515. I.B.C. is a member of the Trafalgar House Group of Companies.



## Five Years' Strong Growth

	1976	1975	1974	1973	1972
Profits before Tax	£'000	£'000	£'000	£'000	£'000
	3,888	2,541	1,741	1,509	881
Earnings per share	14.58p	9.56p	6.16p	6.12p	4.51p
Assets per share	187.91p	159.94p	147.33p	126.22p	68.16p

Profits for 1976 were again a record, with an increase of 53% over the previous year, which fully justifies the restructuring of the Group which has taken place since 1970. Expansion is continuing and further growth is anticipated.

The Annual General Meeting will be held on 12th May at Birmingham Metropole Hotel, National Exhibition Centre. Copies of the Report and Accounts may be obtained from the Secretary at P.O. Box 19, Dudley, West Midlands, DY3 2AG.

All these securities have been sold. This announcement appears as a matter of record only.

U.S. \$50,000,000

## EMI Finance B.V.

9½% Guaranteed Bonds due 1989

UNCONDITIONALLY AND IRREVOCABLY GUARANTEED AS TO PAYMENT OF PRINCIPAL AND INTEREST BY

## EMI Limited

LAZARD BROTHERS & CO., LIMITED SWISS BANK CORPORATION (LUXEMBOURG) LIMITED  
CREDIT SUISSE WHITE WELD LIMITED MORGAN GRENFELL & CO. LIMITED  
SOCIÉTÉ GÉNÉRALE

Algemene Bank Nederland N.V. Amex Bank Limited Amsterdam-Rotterdam Bank N.V. The Arab and Morgan Grenfell Finance Company Limited Arab Financial Consultants Company S.A.K. Arab Finance Corporation S.A.L. Arnhold and S. Bleichroeder, Inc. Astaire & Co. Limited Julius Baer International Limited Banca Commerciale Italiana Banca della Svizzera Italiana Banca del Gotardo Bank of America International Bank Heusser & Cie AG Bank Leu International Ltd. Bank Mees & Hopp N.V. The Bank of Tokyo (Holland) N.V. Banque Trust International Limited Banque Bruxelles Lambert S.A. Banque Française du Commerce Extérieur Banque Française de Dépôts Banque Générale du Luxembourg S.A. Banque de l'Indochine et de Suez Banque Internationale à Luxembourg S.A. Banque Louis-Dreyfus Banque Nationale de Paris Banque de Neulize, Schlumberger, Maillet Banque de Paris et des Pays-Bas Banque de Paris et des Pays-Bas (Suisse) S.A. Banque Populaire Suisse (Luxembourg) S.A. Banque Privée S.A. Banque de l'Union Européenne Banque Worms Barclays Bank International Limited Bayerische Hypothek- und Wechsel-Bank Bayerische Vereinsbank	Joh. Berenberg, Gossler & Co. Berliner Handels- und Frankfurter Bank Caisse Centrale des Banques de France Populaire Cazeno & Co. Chase Manhattan Limited Citicorp International Group Commerzbank Aktiengesellschaft County Bank Limited Crédit Commercial de France Crédit Industriel et Commercial Crédit Lyonnais Crédit du Nord Richard Daus & Co. Bankiers Vormals Hans W. Petersen Daan Witter & Co. Inc. Deutsche Bank Aktiengesellschaft DG Bank Deutsche Genossenschaftsbank Dresdner Bank Aktiengesellschaft Euromobiliare S.p.A. Compagnia Europea Interbancaria European Banking Company Limited Fielding Newson-Smith & Co. First Boston (Europe) Limited First Chicago Limited Robert Fleming & Co. Limited Goldman Sachs International Corp. Groupement des Banquiers Privés Genevois Hambros Bank Limited Handelsbank N.W. (Overseas) Ltd. Hill Samuel & Co. Limited IBJ International Limited Istituto Bancario San Paolo di Torino Kiddor, Peabody International Limited Kleinwort, Benson Limited Kredietbank N.V. Kredietbank S.A. Luxembourgeoise Kuhn Loeb & Co. International Kuwait International Investment Co. s.a.k.	Kuwait Investment Company (S.A.K.) Kuwait Foreign Trading Contracting & Investment Co. (S.A.K.) Lazard Frères et Cie Lazard Frères & Co. Lloyd Bank International Limited Manufacturers Hanover Limited Merrill Lynch International & Co. Samuel Montagu & Co. Limited Morgan Stanley International Nederlandsche Middenstandsbank N.V. Neue Bank The Nikko Securities Co. (Europe), Ltd. Nordfinanz-Bank Zurich Nomura Europe N.V. Orion Bank Limited Pierson, Heiring & Pierson N.V. N. M. Rothschild & Sons Limited Rowles & Pitman, Hurst-Brown Salomon Brothers International Limited A. Sarasin & Cie J. Henry Schroder Wagg & Co. Limited Strauss, Turmbull & Co. Skandinaviska Enskilda Banken Smith Barney, Harris Upham & Co. Incorporated Société Bancaire Barclays (Suisse) S.A. Société Générale de Banque SA Société Privée de Gestion Financière Suntomo Finance International Svenska Handelsbanken Trade Development Bank Overseas Inc. Ueberseebank AG Union Bank of Switzerland (Securities) Limited Vereins- und Westbank Aktiengesellschaft J. Vontobel & Co. S. G. Warburg & Co. Ltd. Wardley Ltd. Westdeutsche Landesbank Girozentrale Wood Gundy Limited Yamaichi International (Europe) Limited
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# Pending dividends timetable

The convenience of readers the dates when the important company dividends may be expected in the next few weeks are given in the following table. The dates given are those of last year's announcements, except where the forthcoming Board meetings (indicated thus) have been officially published. It should be emphasized that the dividends are not necessarily to be paid at the amounts or rates per cent. shown in the column headed "Announcement last year". Preliminary figures usually accompany final dividend announcements.

Date	Announcement	Dividend	Date	Announcement	Dividend
1977	Final 1976	100%	1976	Final 1975	100%
1977	Final 1976	100%	1976	Final 1975	100%
1977	Final 1976	100%	1976	Final 1975	100%

# Public Works Loan Board rates

Non-quota loans B are 1 per cent. higher in each case than non-quota loans A. † Equal instalments of principal. ‡ Equal repayments.

Effective from April 15, 1977

Years	By EFT	By RRT	By EFT	By RRT
Up to 5	91	91	121	121
Over 5 up to 10	104	104	121	121
Over 10 up to 15	113	113	121	121
Over 15 up to 25	121	121	121	121
Over 25	121	121	121	121

# No rise in port charges

Lord Walston—a Labour Peer—reported increased activity at the ports of Harwich, Felixstowe, Ipswich, and Mistley will stay as they have been since July, 1976. He said that the case of senior staff are creating an environment which is not conducive to effort and incentives. He adds: "It is equally true, that unless the financial rewards are seen to be served to amount in of job interest can counter the feeling of dissatisfaction about satisfactory performance in these extraordinary times."

# RECENT ISSUES

Issue	Price	Change
High	100	0
Low	100	0

# FIXED INTEREST STOCKS

Stock	Price	Change
100	100	0
100	100	0

# "RIGHTS" OFFERS

Company	Price	Change
100	100	0
100	100	0

# BASE LENDING RATES

Bank	Rate	Bank	Rate
A.B.N. Bank	9 1/4%	Hambros Bank	9 1/4%
Allied Irish Banks Ltd.	9 1/4%	Hill Samuel	9 1/4%
American Express Bank	9 1/4%	C. Hoare & Co.	9 1/4%
Bank of America	10%	Julian S. Hodges	9 1/4%
Bank of Australia	10%	Parsons & Co.	9 1/4%
Bank of Canada	10%	Industrial Bk. of Scot.	9 1/4%
Bank of China	10%	Keyser Ullmann	10%
Bank of Ceylon	10 1/2%	Knowles & Co. Ltd.	11%
Bank of India	10%	Lloyds Bank	9 1/4%
Bank of Japan	10%	London & European	11%
Bank of Korea	10%	London Mercantile	9 1/4%
Bank of Malaya	10%	Midland Bank	9 1/4%
Bank of Mauritius	10%	Samuel Montagu	9 1/4%
Bank of New Zealand	10%	Morgan Grenfell	9 1/4%
Bank of Oman	10%	National Westminster	9 1/4%
Bank of Persia	10%	Norwich General Trust	10%
Bank of Portugal	10%	P. S. Refson & Co.	9 1/4%
Bank of Rangoon	10%	Industrial Bk. of Scot.	9 1/4%
Bank of Saudi Arabia	10%	Keyser Ullmann	10%
Bank of Singapore	10%	Royal Bk. Canada Trust	9 1/4%
Bank of Sri Lanka	10%	Schlesinger Limited	10 1/2%
Bank of Swaziland	10%	E. S. Schwab	11%
Bank of Tanganyika	10%	Security Trust Co. Ltd.	11%
Bank of Thailand	10%	Shenley Trust	14%
Bank of Trinidad	10%	Standard Chartered	9 1/4%
Bank of Zambia	10%	Trade Development Bk.	9 1/4%
Bank of Zanzibar	10%	Twentieth Century Bk.	9 1/4%
Bank of Zimbabwe	10%	United Bank of Kuwait	9 1/4%
Bank of Guyana	10%	Wheatley Ltd.	10%
Bank of Guyana	10%	Williams & Glyn's	9 1/4%
Bank of Guyana	10%	Yorkshire Bank	9 1/4%
Bank of Guyana	10%	Members of the Accounting Committee	9 1/4%
Bank of Guyana	10%	7 day deposits 5%, 1-month deposits 6%	9 1/4%
Bank of Guyana	10%	1 year deposits on sums of £50,000 and over 12% and 13% on sums of £25,000 and over	9 1/4%
Bank of Guyana	10%	Call deposits over £1,000 7%	9 1/4%
Bank of Guyana	10%	Demand deposits 9 1/4%	9 1/4%

# INTERNATIONAL COMPANY NEWS

## EDE loan raised to \$700m.

BY FRANCIS GHILES  
THE EDF LOAN which Cr&F spread of less than 1 per cent. European de Crédit, Banque Lyonnaise is lead managing this one carries a spread of 1 1/2 per cent. for the first four years has been raised from an initial \$500m. to \$700m. This has happened as a result of the refusal of some of the leading U.S. banks such as Citicorp and Chase Manhattan Bank to participate in the loan. The U.S. banks such as Citicorp and Chase Manhattan Bank have refused to participate in the loan. The U.S. banks such as Citicorp and Chase Manhattan Bank have refused to participate in the loan.

## Vaduz company involved in Credit Suisse loss

BY JOHN WICKS  
ZURICH, April 17.  
A LIECHTENSTEIN company involved in the substantial loss incurred by the Chiasso branch of Credit Suisse. Fiduciary funds entrusted to the branch are now known to have been invested with a company in Vaduz instead of the Euro-matrix. The Vaduz lawyer Franz Gstoehl on Saturday declined to comment to me on a claim made in the Zurich newspaper Finanz und Wirtschaft that the company in question is International House and Food Establishment (Vinefood). Mr. Gstoehl represents this company, set up in 1968 and with a capital of Sw.Fr.500,000 other Board members include personalities from the Ticino.

## Money and Exchanges

Bank of England Minimum Lending Rate 9 per cent. (since April 15, 1977). Short-term fixed period interest rates showed little change for the most part in the London money market last week, with discount houses buying and selling three-month Treasury bills ready at around 8 1/2 per cent. and generally indicating the possibility of a further cut in Bank of England Minimum Lending Rate. At the Treasury bill tender on Tuesday, the average rate of discount fell by 0.0388 per cent. to 8.4341 per cent. and Minimum Lending Rate was reduced by 1/4 per cent. to 9 per cent. The rate at the tender was comfortably above the level which would bring a further cut in M.L.R. this week, giving rise to suggestions that the market may not be looking for another fall in interest rates in the immediate future, even though a further decline is not ruled out by some observers.

Country	Rate	Country	Rate
Argentina	500-500	Argentina	10-10
Australia	1.544-1.544	Australia	10-10
Belgium	1.544-1.544	Belgium	10-10

City	Rate	City	Rate
London	9 1/4%	London	9 1/4%
Paris	10%	Paris	10%
Frankfurt	10%	Frankfurt	10%

City	Rate	City	Rate
London	9 1/4%	London	9 1/4%
Paris	10%	Paris	10%
Frankfurt	10%	Frankfurt	10%

City	Rate	City	Rate
London	9 1/4%	London	9 1/4%
Paris	10%	Paris	10%
Frankfurt	10%	Frankfurt	10%

# MINING NOTEBOOK

## Gold quarterlies may be below expectations

BY LODESTAR  
THE MARCH quarterly reports from the South African gold mines starting being published tomorrow. An average bullion price in the \$130 to \$135 range should be an outcome in the previous three months and the current market level of \$130. Shareholders who have been in touch with me are already impatient at the delay in restoring dealing facilities. They are likely to be even more cross this morning. Metramar should think again and not leave their members seeking. Some of them would be only too pleased to sell to the gold price speculators!

## Crunch for Canuc

What has happened about Canuc? Mines in Canada's biggest uranium camp at Elliot Lake is a question that keeps reaching me. Well, I hear from the company's president Mr. Fred Jowsey whose strong nuclear background was discussed here on December 20. That further exploratory drilling is now under way. At the conclusion of a three-month program there should be an excellent indication of the uranium reserve potential. Mr. Jowsey says. So the next four or five months are likely to be the crunch time for Canuc shares which stand in London at 145p cum premium. Holders will have to keep their fingers crossed and hope that Mr. Jowsey's intimate knowledge of this big and long-established uranium area will stand them in good stead as well as details of the companies themselves. Of particular note are the geological data and the many excellent maps showing where 12 major mines and eight minor ones are situated throughout the country. The annual is obtainable from the National Miner, 49, Salford Highway, Salford, Lancs. M6 6PU. Australia \$600. Price \$A16.50 plus \$2 mail handling fee.

## Vultan victors

As foreshadowed here in February, Australia's Vultan Minerals has again got some new masters. At last week's requisitioned meeting in Perth the Board headed by Mr. Hector Warne was replaced by the directors of Greenbushes, of which Mr. R. J. Lynch is chairman. He becomes chairman of Vultan. Greenbushes had a price of slightly over 1m. shares, of which 52 mail handling fee.


# INSURANCE

## How employers can take cover against tougher safety moves

BY OUR INSURANCE CORRESPONDENT  
AN EMPLOYER who is in breach of his statutory duty under the Health and Safety at Work Act 1974 runs a considerable and increasing risk of prosecution as the number of safety enforcement officers slowly grows and as they use their powers more readily to compel employers to ensure the greater safety of their employees. Sections 2 to 8 of the Act should have long since become common knowledge to all employers and their safety officers, for these sections lay down a whole range of safety duties. However, prior to the 1974 Act, no insurer covered the legal defence costs incurred in prosecutions for breaches which did not cause injury. When the Act came into force, specialist liability insurers were quick to realise that there was a gap in the standard employers liability cover. Now, some three years after the passage of the Act, the wider risk of having to spend money to defend prosecutions unconnected with personal injury can be insured as an extension to employers' liability policies. Practice is variable both as to the extent of the cover afforded and the price charged. For the employer some points to watch are: if prosecution costs are awarded against him, are they met by the insurance? Are the defence costs limited to those incurred in the magistrates' courts or is the cost of appeal insured? Is there any annual financial limit to the amount of costs payable, and if so what?

Company	Rate	Company	Rate
AN Employer	10%	AN Employer	10%
AN Employer	10%	AN Employer	10%
AN Employer	10%	AN Employer	10%

City	Rate	City	Rate
London	9 1/4%	London	9 1/4%
Paris	10%	Paris	10%
Frankfurt	10%	Frankfurt	10%



**Telefonaktiebolaget LM Ericsson**

U.S. \$30,000,000 8 1/2 per cent. Bonds 1989

Scandinavian Enklida Banken S. G. Warburg & Co. Ltd. Svenska Handelsbanken

Amsterdam-Rotterdam Bank N.V. Crédit Lyonnais Credit Suisse White Weld Limited

Deutsche Bank Aktiengesellschaft Morgan Stanley International, Smith Barney, Harris Upham & Co. Incorporated

Swiss Bank Corporation (Overseas) Limited Union Bank of Switzerland (Securities) Limited

Westdeutsche Landesbank Girozentrale

City	Rate	City	Rate
London	9 1/4%	London	9 1/4%
Paris	10%	Paris	10%
Frankfurt	10%	Frankfurt	10%



CLAMPDOWN ON PERKS • BY MICHAEL LAFFERTY

# The tax man tightens his grip

TAXATION of fringe benefits will be taken further as a result of the announcement that the Finance Bill to be published tomorrow will clarify the law on the tax treatment of employees' living accommodation. It is part of an area that has taken on a mystery and complexity of its own since a mass of changes was made to benefits tax in the past two Finance Acts. The most extensive of these came in last year's Act which completely restated the tax law on benefits and expenses.

The new code took effect this month. It is far more comprehensive than the old measures in that it extends to benefits and expenses provided by sources other than the employer, and it also covers the public sector and non-trading concerns such as trade unions, charities, and professional bodies for the first time. It provides new rules for taxing such benefits as motor cars, preferential loans, and share incentive schemes.

Broadly, the fringe benefits taxing provisions apply only to directors (including people defined as such in trade unions or charities), and to employees in "higher-paid" employment. But some of the rules, such as those on group medical insurance schemes and the proposed new accommodation rules, apply to all employees. The Chancellor undertook in his 1976 Budget statement to extend the benefits taxes in the future to all employees, at least as far as cars and loan benefits are concerned.

Higher-paid employment is currently defined as emoluments, including gross expenses, of £5,000 or more, but it is expected that further changes in this area will come in tomorrow's Finance Bill. The last change came in 1974 when the limit, which had remained at £2,000 since 1948, was raised to £5,000.

The new fringe benefits tax code is set out in Sections 60 to 72 and Schedules 7 to 9 of the Finance Act 1976. The general rule, under section 60 of the Act, is that all expenses paid to a director or higher-paid employee are taxable, subject to a deduction for those expenses which

are "wholly, exclusively, and necessarily" incurred for the purposes of the employment. Section 61 extends this to any benefit provided for the employee or his household.

The measure of the taxable benefit is what is termed the "cash equivalent." With the exception of "business" cars, loans at privileged interest rates, employee shareholdings, and medical insurance to which special rules apply, "cash equivalent" is defined as the cost of providing the benefit, less any deduction for business use. So, for example, the provision of furniture, a home secretary, light and heat, food, club subscriptions, a chauffeur, and the payment of hotel bills, is taxable, less any amounts which can be claimed for business use.

## Cars

The rules for cars, which apply from April this year, fall into three categories:

1. The "perks" car, where one or more cars are provided more as a status symbol than for business use, and particularly where the business use of the car is less than 10 per cent. The whole cost to the employer of providing the car is taxable on the director or employee. This includes a charge of 20 per cent of the list price of the car, where it is less than four years old, and 10 per cent of that price where it is older.

2. The "business" car, where the business use of the car is more than 10 per cent of the total use in the tax year. The cash equivalent of a business car is laid down in Schedule 7 of the Act, according to whether the car has a particular engine capacity, or in some cases the original list price. Thus, for example, the taxable benefit of a Marina 1.8 litre saloon bought in 1976 with an engine capacity of 1788 cc is £225. Accountants have generally welcomed the new scales. According to Mr. John Jeffrey-Cook of Deloitte the scale of rates "is pretty reasonable. It avoids the regular hassle of the old system

over what was business mileage, except where the proportion of business use is very high." This problem is partly met by halving the charge where the business use exceeds 25,000 miles in the tax year.

3. The "pooled" car: typically any of the employer's staff can use this car which is part of a "pool" of vehicles available for business use. Such a car is taxable, but the conditions to qualify are extremely tough. The car must be used by more than one employee, private use must be "merely incidental" to the business use, and the car must not normally be kept overnight at or near the residence of an employee. Cars provided for the Prime Minister and the Chancellor of the Exchequer may come into this category.

The Government in the 1976 Act also attempted to tax the provision to anyone of free services such as a hair-dresser, free rail and air travel, and so on. These proposals proved impractical and were dropped.

The new tax rules on preferential loans, contained in Section 66 of the Act, fall into two parts. Loans which are waived or written off have been taxable since April 1976. From 1978/79 the Revenue will be able to prescribe an appropriate rate of interest, and tax the benefit from low-cost loans. Loans made for purposes such as house purchase which qualify for interest relief, will not be affected.

On a similar basis, the benefit gained from cheap or interest-free loans for the purchase of shares under a share incentive scheme will be taxable from 1978/79. But the general rule under Section 67 of the Act is that a taxable benefit arises in all circumstances where a director or employee is given an opportunity to acquire shares on favourable terms. It took effect for shares acquired after April 6 1976. In particular "stop-loss" arrangements which would provide a director with protection against a loss from any fall of the value of shares are taxable. Broadly, the taxable benefit is the loss which the director or employee has been spared.

## Complex

Finally, there is the complex area of living accommodation, where new measures covering all categories of employee and full-time working directors (providing they do not own more than 5 per cent of the company's shares) are to be introduced in the forthcoming Finance Bill. In general, the old rules drew a distinction between "beneficial" and "representative" accommodation. In other words, the benefit enjoyed from living in accommodation provided by an employer was taxable unless it was "representative." That was taken to mean that the employer had to be the rated occupier of the premises, that he required the employee to reside there, and that it was necessary for the employee to live in the premises to carry out his duties properly.

The position became confused after the famous "policeman's house" court case (Langley and Others v Appleby) of April 1, 1976. Mr. Justice Fox then held that the occupation of premises, although 20 miles from the police station, was representative and therefore tax-free, because the policeman was required to live there by his Chief Constable. A few months later this decision was undermined in an almost identical case also involving a policeman's house.

On July 19, 1976, an inter-departmental working party was set up to look into the entire matter. It reported in March this year and the proposed new measures are the outcome.

The living proposals will amount to a complete re-write of the law in this area. They represent a move away from the notion of representative accommodation.

Living accommodation provided for employees or full-time working directors (with less than 5 per cent of the company's shares) will only be tax-free where:

• It is necessary for the performance of the employee's duties that he should occupy the accommodation. That is a re-statement of the old broad rule. It covers security men, caretakers, lighthouse keepers.

• It has been the practice to provide accommodation for employees of a particular class, and the accommodation is provided to enable the employee to perform his duties better. That is a stricter application of the ruling in the policeman's house case. It will have to be proved that it has been the practice to provide the accommodation; or finally freedom from taxation will be only granted where:

• The accommodation is provided for the employee in the public service for whom special security arrangements are in force. This is a completely new provision which was made necessary by ill-drafted provisions in the 1976 Act extending the benefits rules to all employing concerns, including the public service. Thus a house provided for the head of MI6 might have been taxable without the change proposed.

Another relaxation of the measures of 1976 means that directors of charities and other non-profit making concerns such as trade unions and professional bodies will be eligible for exemption on the same basis as their employees.

In the case where ancillary services such as heat, light and furniture are provided with tax-exempt accommodation the amount of taxable services will not exceed 10 per cent of the emoluments (salary plus benefits) of the employment. This will prevent the employee who is required by his job to live in particular accommodation from having to pay an unfair amount of tax for free services over which he apparently has little control.

Notes on Expenses, Payments and Benefits for Directors and Certain Employees" (Booklet 600) is obtainable free from any tax office.

## NOTICE OF REDEMPTION

to Holders of

# GENERAL CABLES OVERSEAS N.V.

8 1/2% Guaranteed Bonds 1979/87

NOTICE IS HEREBY GIVEN that pursuant to Section 5 (a) of the terms and conditions whereby £500,000 principle are to be redeemed at par on 15th May 1977 the following Bond have been drawn for redemption in the presence of a Notary Public at a price equal to 100% of face amount.

### BONDS OF £2,000 EACH

26	1582	3125	4593	6194	7884	9728	10655	12126	13583	15166	16663	18171	19691	21245
70	1657	3128	4641	6234	7921	9796	10668	12176	13652	15266	16666	18243	19702	21276
112	1707	3208	4739	6324	7925	9839	10687	12189	13705	15269	16723	18247	19707	21281
154	1757	3247	4781	6355	7956	9851	10716	12214	13730	15294	16748	18272	19732	21295
196	1807	3287	4823	6387	7987	9863	10745	12239	13755	15319	16773	18303	19757	21310
238	1857	3327	4865	6418	8018	9875	10774	12264	13780	15344	16798	18328	19782	21325
280	1907	3367	4907	6449	8049	9887	10803	12289	13805	15369	16823	18353	19807	21340
322	1957	3407	4949	6480	8080	9899	10832	12314	13830	15394	16848	18378	19832	21355
364	2007	3447	4991	6511	8111	9911	10861	12339	13855	15419	16873	18403	19857	21370
406	2057	3487	5033	6542	8142	9923	10890	12364	13880	15444	16898	18428	19882	21385
448	2107	3527	5075	6573	8173	9935	10919	12389	13905	15469	16923	18453	19907	21400
490	2157	3567	5117	6604	8204	9947	10948	12414	13930	15494	16948	18478	19932	21415
532	2207	3607	5159	6635	8235	9959	10977	12439	13955	15519	16973	18503	19957	21430
574	2257	3647	5201	6666	8266	9971	11006	12464	13980	15544	17003	18528	19982	21445
616	2307	3687	5243	6697	8297	9983	11035	12489	14005	15569	17028	18553	20007	21460
658	2357	3727	5285	6728	8328	9995	11064	12514	14030	15594	17053	18578	20032	21475
700	2407	3767	5327	6759	8359	10007	11093	12539	14055	15619	17078	18603	20057	21490
742	2457	3807	5369	6790	8390	10019	11122	12564	14080	15644	17103	18628	20082	21505
784	2507	3847	5411	6821	8421	10031	11151	12589	14105	15669	17128	18653	20107	21520
826	2557	3887	5453	6852	8452	10043	11180	12614	14130	15694	17153	18678	20132	21535
868	2607	3927	5495	6883	8483	10055	11209	12639	14155	15719	17178	18703	20157	21550
910	2657	3967	5537	6914	8514	10067	11238	12664	14180	15744	17203	18728	20182	21565
952	2707	4007	5579	6945	8545	10079	11267	12689	14205	15769	17228	18753	20207	21580
994	2757	4047	5621	6976	8576	10091	11296	12714	14230	15794	17253	18778	20232	21595
1036	2807	4087	5663	7007	8607	10103	11325	12739	14255	15819	17278	18803	20257	21610
1078	2857	4127	5705	7038	8638	10115	11354	12764	14280	15844	17303	18828	20282	21625
1120	2907	4167	5747	7069	8669	10127	11383	12789	14305	15869	17328	18853	20307	21640
1162	2957	4207	5789	7100	8700	10139	11412	12814	14330	15894	17353	18878	20332	21655
1204	3007	4247	5831	7131	8731	10151	11441	12839	14355	15919	17378	18903	20357	21670
1246	3057	4287	5873	7162	8762	10163	11470	12864	14380	15944	17403	18928	20382	21685
1288	3107	4327	5915	7193	8793	10175	11499	12889	14405	15969	17428	18953	20407	21700
1330	3157	4367	5957	7224	8824	10187	11528	12914	14430	15994	17453	18978	20432	21715
1372	3207	4407	5999	7255	8855	10199	11557	12939	14455	16019	17478	19003	20457	21730
1414	3257	4447	6041	7286	8886	10211	11586	12964	14480	16044	17503	19028	20482	21745
1456	3307	4487	6083	7317	8917	10223	11615	12989	14505	16069	17528	19053	20507	21760
1498	3357	4527	6125	7348	8948	10235	11644	13014	14530	16094	17553	19078	20532	21775
1540	3407	4567	6167	7379	8979	10247	11673	13039	14555	16119	17578	19103	20557	21790
1582	3457	4607	6209	7410	9010	10259	11702	13064	14580	16144	17603	19128	20582	21805
1624	3507	4647	6251	7441	9041	10271	11731	13089	14605	16169	17628	19153	20607	21820
1666	3557	4687	6293	7472	9072	10283	11760	13114	14630	16194	17653	19178	20632	21835
1708	3607	4727	6335	7503	9103	10295	11789	13139	14655	16219	17678	19203	20657	21850
1750	3657	4767	6377	7534	9134	10307	11818	13164	14680	16244	17703	19228	20682	21865
1792	3707	4807	6419	7565	9165	10319	11847	13189	14705	16269	17728	19253	20707	21880
1834	3757	4847	6461	7596	9196	10331	11876	13214	14730	16294	17753	19278	20732	21895
1876	3807	4887	6503	7627	9227	10343	11905	13239	14755	16319	17778	19303	20757	21910
1918	3857	4927	6545	7658	9258	10355	11934	13264	14780	16344	17803	19328	20782	21925
1960	3907	4967	6587	7689	9289	10367	11963	13289	14805	16369	17828	19353	20807	21940
2002	3957	5007	6629	7720	9320	10379	11992	13314	14830	16394	17853	19378	20832	21955
2044	4007	5047	6671	7751	9351	10391	12021	13339	14855	16419	17878	19403	20857	21970
2086	4057	5087	6713	7782	9382	10403	12050	13364	14880	16444	17903	19428	20882	21985
2128	4107	5127	6755	7813	9413	10415	12079	13389	14905	16469	17928	19453	20907	22000
2170	4157	5167	6797	7844	9444	10427	12108	13414	14930	16494	17953	19478	20932	22015
2212	4207	5207	6839	7875	9475	10439	12137	13439	14955	16519	17978	19503	20957	22030
2254	4257	5247	6881	7906	9506	10451	12166	13464	14980	16544	18003	19528	20982	22045
2296	4307	5287	6923	7937	9537	10463	12195	13489	15005	16569	18028	19553	21007	22060
2338	4357	5327	6965	7968	9568	10475	12224	13514	15030	16594	18053	19582	21032	22075
2380	4407	5367	7007	7999	9599	10487	12253	13539	15055	16619	18078	19607	21057	22090
2422	4457	5407	7049	8030	9630	10499	12282	13564	15080	16644	18103	19632	21082	22105
2464	4507	5447	7091	8061	9661	10511	12311	13589	15105	16669	18128	19657	21107	22120
2506	4557	5487	7133	8092	9692	10523	12340	13614	15130	16694	18153	19682	21132	22135
2548	4607	5527	7175	8123	9723	10535</								







OVERSEAS MARKETS

EUROBONDS

THE EUROBOND market has moved from strength to strength in the last few days. In the U.S. dollar sector a two-day pause for breath, when there were no straight bonds on offer was followed by the announcement of issues totalling \$235m. On Wednesday, on Friday, two further issues were announced including the long mooted Volkswagen financing.

In general therefore, the dollar sector of the Eurobond market strengthened last week and by the end of the week almost every one of the batch of issues priced just before Easter was standing about a quarter of a point higher than on the Thursday before the Easter break, which was either the first or second day of trading in all cases.

Denmark (not included in the list) now announced at DM250m. In total instead of the DM200m. expected earlier. Of the DM250m. total DM50m. has been replaced. The issue is now DM200m. equal to the DM100m. at an indicated 6 1/2 per cent, and the other for ten years at an indicated 7 1/2 per cent. Both issues are non-redeemable prior to maturity. Lead manager is Westdeutsche Landesbank.

CURRENT EUROBOND ISSUES

Table with columns: Borrower, Amount, Maturity, Av. life, Coupon, Price, Lead Manager. Includes entries for US DOLLARS, CANADIAN DOLLARS, D-MARKS, YEN, SWISS FRANCS, AUSTRALIA, and PARIS.

BONDS INDEX

Table with columns: Friday, 1977, High, Low, 1977, High, Low. Includes entries for Medium, Long, and Convertible.

Indices

Table with columns: NEW YORK - DOW JONES, Standard and Poors, and various index values for 1977.

N.Y.S.E. ALL COMMON

Table with columns: Apr. 15, Apr. 14, Apr. 13, Apr. 12, Apr. 11, Apr. 10, Apr. 9, Apr. 8, Apr. 7, Apr. 6, Apr. 5, Apr. 4, Apr. 3, Apr. 2, Apr. 1, 1977, High, Low, 1977, High, Low.

GERMANY

Table with columns: April 15, Price, +/-, Div. Yld., %.

AUSTRALIA

Table with columns: April 15, Price, +/-, Div. Yld., %.

OVERSEAS SHARE INFORMATION

Table with columns: NEW YORK, High, Low, Stock, April 15, 1977, High, Low, Stock, April 15, 1977, High, Low, Stock, April 15, 1977, High, Low, Stock, April 15, 1977.

GERMANY

Table with columns: April 15, Price, +/-, Div. Yld., %.

CANADA

Table with columns: April 15, Price, +/-, Div. Yld., %.

AMSTERDAM

Table with columns: April 15, Price, +/-, Div. Yld., %.

OSLO, TOKYO, COPENHAGEN, BRUSSELS/LUXEMBOURG, STOCKHOLM, SWITZERLAND, MILAN, Hamersley outlook. Includes various market reports and company information.

Handwritten note: 100/100











INDUSTRIALS—Continued

Table of industrial stocks including companies like British Airways, British Petroleum, and British Telecom, with columns for stock name, price, and other financial metrics.

MOTOR VEHICLE TRADERS

Table listing motor vehicle traders and their stock prices.

Commercial Vehicle

Table listing commercial vehicle stocks.

Components

Table listing components of motor vehicles and their stock prices.

PROPERTY—Continued

Table listing property-related stocks and their prices.

SHIPBUILDERS, REPAIRERS

Table listing shipbuilders and repairers.

SHIPPING

Table listing shipping companies and their stock prices.

TRUSTS—Continued

Table listing trusts and their stock prices.

TRUSTS—Continued

Table listing trusts and their stock prices.

TRUSTS—Continued

Table listing trusts and their stock prices.

Garages and Distributors

Table listing garage and distributor stocks.

SHOES AND LEATHER

Table listing shoe and leather stocks.

SOUTH AFRICANS

Table listing South African stocks.

MINES—Continued

CENTRAL AFRICAN

Table listing Central African mines.

AUSTRALIAN

Table listing Australian stocks.

TINS

Table listing tin stocks.

OVERSEAS TRADERS

Table listing overseas traders.

NEWSPAPERS, PUBLISHERS

Table listing newspaper and publisher stocks.

TEXTILES

Table listing textile stocks.

RUBBERS AND SISALS

Table listing rubber and sisal stocks.

MISCELLANEOUS

Table listing miscellaneous stocks.

PAPER PRINTING, ADVERTISING

Table listing paper printing and advertising stocks.

PROPERTY

Table listing property-related stocks.

TEAS

Table listing tea stocks.

NOTES

Notes section containing various financial notices, company announcements, and market commentary.

PROPERTY

Table listing property-related stocks.

PROPERTY

Table listing property-related stocks.

TEAS

Table listing tea stocks.

MINES

Table listing mine stocks.

INSURANCE

Table listing insurance stocks.

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MAYSON Britain's leaders in Heating Ventilating and Air Conditioning equipment

Carter energy plan launched this week

BY DAVID BELL

WASHINGTON, April 17.

PRESIDENT CARTER embarks to-morrow on an intensive week-long attempt to persuade the American people that the tough energy plan he will present to Congress on Wednesday is necessary and that without it the United States will face a severe energy crisis in less than 10 years.

Jenkins talks

David Buchan writes from Brussels: President Carter's widely predicted moves to curb conventional energy use in the U.S. are expected to do much to correct the somewhat negative impression in Europe left by the President's first declaration on nuclear power.

Mr. Carter's decision to forgo nuclear reprocessing technology might lead to increased oil and gas consumption by the U.S. and increased competition with Europe for energy. The basic aim of President Carter's speech on nuclear proliferation is welcomed by the EEC. But it is expected that Mr. Jenkins will want to put the following points:

Tindemans coalition gains in Belgian polls

BY DAVID SUCHAN

BRUSSELS, April 17.

THE COALITION forces of Mr. Leo Tindemans, the Prime Minister, appear to have gained some ground in today's Belgian General Election in both the Flemish-speaking and French-speaking parts of the country, according to early returns tonight.

Left turn

The French-speaking Liberals, the PRLW, a minor coalition party, has also gained, mainly at the expense of the Rassemblement Walloon (RW) from which it split last year.

majority, electoral backing in the south, where the French Socialist Christians—Mr. Tindemans's sister party—has held its own, despite the fact that almost all the French-speaking parties have been gunning for its downfall.

Earnings index may show pay policy strained

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

FURTHER EVIDENCE will be provided this week of the extent to which the pay policy may already be facing strains in the current second phase—as talks on a possible next phase slowly get under way. This will be shown by the earnings index for February, due to be announced on Wednesday, which along with the trade figures, published at 3.30 this afternoon, are the main economic indicators this week.

Strength

This view reflected in particular the recent strength of sterling, there will be close interest to see whether all the survey evidence of a strong export performance at last shows up in the figures. There are also hopes that imports of manufactures may soon start to stabilise after rising sharply in recent months.

Banks may cut cost of overdrafts soon

BY OUR ECONOMICS CORRESPONDENT

A FURTHER CUT in the cost of overdrafts is possible during the next few days, although at the end of last week the clearing banks were still taking a cautious view about an early move. There is now scope for a reduction of half a point in the clearing banks' base rates to 8 per cent after the recent fall in short-term interest rates. This would cut the cost of overdrafts to 10-10 1/2 per cent for top-quality borrowers and up to 14 per cent for other customers.

Coming to an end

There is uncertainty over the Government's intentions concerning the so-called corset controls on bank deposits, which effectively restrain lending. The banks are now well within the required limits but new guidelines will be required after July.

New Act reveals Kuwait holdings

BY MARGARET REID

A RANGE of companies, including some large ones, will be told in the next few days that the oil-rich State of Kuwait owns sizeable holdings of their shares. Altogether, Kuwait's holdings of British shares range into hundreds of millions of pounds and are considerably larger in total than those of any other Arab country.

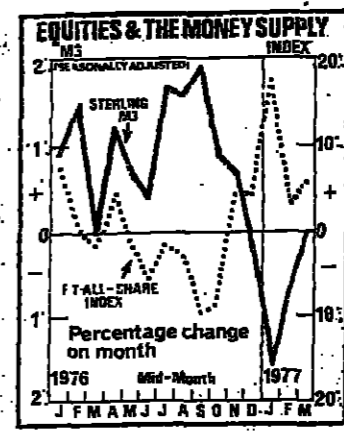
Warehousing

The new obligation is designed to control warehousing, the process by which parties acting together, or different arms of the same group, build up unnotified, in small blocks, a substantial shareholding, perhaps in a springboard for a takeover offer.

THE LEX COLUMN

Changing response of share prices

Trying to relate fluctuations in stock market price indices to the cyclical ups and downs of the economy is a fascinating though unreliable exercise.



And the indeterminate economic trend since then has given few clues about the strength of the revival in security prices. This revival has taken place, in fact, in a period in which the companies sector appears to have moved further into financial deficit.

through rapidly to a rise in inflation. In present conditions, moreover, higher inflation must be reckoned bearish for equities.

But the brokers do not seem fully prepared to follow the logic the other way by suggesting that inadequate money growth might actually be bullish over anything beyond the short run.

Merchant banks

The hidden earnings and reserves of merchant banks are always matters of some curiosity value in the City, and the new review of the accepting houses from brokers Laine and Cruickshank makes an attempt to assess recent trends here.

Indeed, inflation at times seemed to be positively good for equities. Greenwell argue that excess money creation in the U.K. is no longer an effective way of boosting real economic activity, and it simply feeds recent years by Hill Samuel cut.

"We've outgrown magnetic ledger cards"

"Bet you haven't" says KIENZLE

You still want visible records but desperately need to speed up the whole accounting cycle - right? The symptoms are familiar. Delays in invoicing, overtime in accounts, errors, complaints and inadequate management figures.

Kienzle Data Systems 224 Bath Road Slough SL1 4DS. Telephone: Slough 38355 Telex: 848535 KIENZLE G. Includes image of computer equipment.

Weather section with U.K. TO-DAY, BUSINESS CENTRES, and HOLIDAY RESORTS tables.

Leyland

would necessitate a sharp cut in the workforce of about 40,000 at these factories. These two plans also mean the end of the Marina and Maxi (Cowler) and the Allegro and Mini (Longbridge). Most of the Castle Bromwich body-making and paint plant in Birmingham—which has had poor industrial relations in the last year—would therefore also have to be closed down.